

State Equalization Guarantee Computation

<u>Grade Level/Program Membership</u>		<u>Times</u>	<u>Cost Differential = Units</u>	S U M O F U N I T S
Kindergarten & 3- and 4-Year-Old DD	FTE	×	1.44	
Grade 1	MEM	×	1.20	
Grades 2-3	MEM	×	1.18	
Grades 4-6	MEM	×	1.045	
Grades 7-12	MEM	×	1.25	
<u>Special Education</u>				
Related Services (Ancillary)	FTE	×	25.00	
A/B Level Service Add-on	MEM	×	0.70	
C Level Service Add-on	MEM	×	1.00	
D Level Service Add-on	MEM	×	2.00	
3- and 4-Year-Old DD Program Add-on	MEM	×	2.00	
<u>Bilingual Education</u>				T S
	FTE	×	0.50	
<u>Fine Arts Education</u>				
	FTE	×	0.05	
<u>Elementary Physical Education</u>				
	FTE	×	0.06	

= TOTAL PROGRAM UNITS

T&E INDEX MULTIPLIER → Times Value from 1.000 - 1.500

= ADJUSTED PROGRAM UNITS

Plus

D-Level NPTC Special Education Units
 Size Units (Elementary/Junior High; Senior High;
 District; Rural Isolation)
 New District Adjustment Units
 At-Risk Units
 Enrollment Growth Units
 National Board for
 Professional Teaching Standards Units
 Charter School Activities Units
 Home School Student Activities Units

= TOTAL UNITS

Plus Save Harmless Units

= GRAND TOTAL UNITS

Grand Total Units × Unit Value = Program Cost

– 75% Noncategorical Revenue Credits

– Excess Cash Balance

– Utility Conservation Program Contract Payments

– 90% of the Certified Amount (*Energy Efficiency and Renewable Energy Bonding Act*)

= STATE EQUALIZATION GUARANTEE

Proposed Funding Formula

Base Per-Student Cost

- × Poverty Adjustment (Free and Reduced Lunch)
- × English Learner Adjustment
- × Special Education Adjustment (Census-based)
- × Mobility Adjustment
- × Share 6-8 Enrollment Adjustment
- × Share 9-12 Enrollment Adjustment
- × Scale (Total District Enrollment) Adjustment
- × Adjusted Index of Staff Qualifications (Not less than 1.000)

= Sufficient Per-Student Cost

Sufficient Per-Student Cost × Total District Enrollment = Sufficient Total Program Cost

RECEIVED
VIA E-MAIL

MAY 07 2008

HOUSE BILL 241 MOCK-UP

48TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2008

MOCK-UP

AN ACT

RELATING TO PUBLIC SCHOOLS; PROVIDING A NEW PUBLIC SCHOOL
FUNDING FORMULA; PROVIDING FOR MAINTENANCE AND PERIODIC
RECALIBRATION OF THE FORMULA; REQUIRING ACCOUNTABILITY; USING A
CENSUS-BASED SPECIAL EDUCATION IDENTIFICATION RATE FOR SCHOOL
DISTRICTS; CLARIFYING FINANCIAL RESPONSIBILITY FOR SPECIAL
EDUCATION; CREATING A FUND; CHANGING REPORTING TIMES TO
SPECIFIED DATES; RECONCILING MULTIPLE AMENDMENTS TO THE SAME
SECTIONS OF LAW IN A SINGLE YEAR; AMENDING, REPEALING, ENACTING
AND RECOMPILING SECTIONS OF THE NMSA 1978.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Public School Code is
enacted to read:

"NEW MATERIAL PURPOSE OF 2008 EDUCATION REFORM.--

A. The legislature finds that education reform in

.173033.1

underscored material = new
[bracketed material] = delete

1 New Mexico has been a multiyear process that began in 1999 with
2 the creation of the education initiatives and accountability
3 task force. That task force reported the results of its work
4 to the 2001 legislative session, and the legislature passed a
5 bill that was subsequently vetoed by the governor. In 2003,
6 the legislature again passed the bill, commonly referred to as
7 "House Bill 212", and the governor signed it. That bill
8 enacted the first part of education reform, which was based on
9 the need to attract and retain highly qualified teachers to
10 teach New Mexico's multicultural student population and to hold
11 teachers and administrators accountable for student success.
12 That educational reform recognized the importance of
13 integrating the cultural strengths of New Mexico into the
14 curriculum with high expectations for all students. In 2007,
15 the legislature and governor addressed the need for a rigorous
16 and relevant high school curriculum, as expressed in House Bill
17 212, by enacting what is popularly known as "high school
18 redesign". The goal of that legislation is to prepare students
19 for success in college and the workplace.

20 B. The legislature finds that the next step toward
21 true educational reform was taken in 2005, when the legislature
22 passed, and the governor signed, legislation to appoint a task
23 force of legislators and educators to direct an independent
24 study of the state's funding formula.

25 C. The purpose of this 2008 act is to establish a

.173033.1

underscored material = new
[bracketed material] = delete

1 new, simplified funding formula for public schools that is
2 based on student need, grade composition and scale of
3 operations for school districts and charter schools. The
4 formula, and the attendant accountability that is provided,
5 strengthen the goals of the overall education reform begun in
6 House Bill 212 and specified in Section 22-1-1.2 NMSA 1978.
7 This 2008 reform links the increased funding that will be
8 provided through the adoption and implementation of the new
9 funding formula to each school district's and charter school's
10 educational plan for student success. The educational plan and
11 the attendant site-specific school plans are the means to
12 enliven statutory provisions such as the Assessment and
13 Accountability Act, kindergarten plus and K-3 plus, high school
14 redesign, the Indian Education Act, the Bilingual Multicultural
15 Education Act, the Fine Arts Education Act, the Mathematics and
16 Science Education Act and other curricula-specific provisions
17 of the Public School Code."

18 Section 2. Section 22-1-2 NMSA 1978 (being Laws 2003,
19 Chapter 153, Section 3, as amended) is amended to read:

20 "22-1-2. DEFINITIONS.--As used in the Public School Code:

21 A. "academic proficiency" means mastery of the
22 subject-matter knowledge and skills specified in state academic
23 content and performance standards for a student's grade level;

24 B. "adequate yearly progress" means the measure
25 adopted by the department based on federal requirements to

.173033.1

underscored material = new
[bracketed material] = delete

1 assess the progress that a public school or school district or
2 the state makes toward improving student achievement;

3 C. "cost factor demographic data" means a school
4 district's or charter school's student-need data pertaining to
5 poverty, English language learners, special education and
6 mobility;

7 [G-] D. "commission" means the public education
8 commission;

9 E. "December enrollment" means the total enrollment
10 in a public school or school district on the second Wednesday
11 in December;

12 [D-] F. "department" means the public education
13 department;

14 [~~E. "forty-day report" means the report of~~
15 ~~qualified student membership of each school district and of~~
16 ~~those eligible to be qualified students but enrolled in a~~
17 ~~private school or a home school for the first forty days of~~
18 ~~school;~~]

19 G. "educational plan" means the educational plan
20 for student success of a school district or charter school;

21 H. "February enrollment" means the total enrollment
22 in a public school or school district on the second Wednesday
23 in February;

24 [F-] I. "home school" means the operation by the
25 parent of a school-age person of a home study program of

.173033.1

underscored material = new
[bracketed material] = delete

1 instruction that provides a basic academic educational program,
2 including reading, language arts, mathematics, social studies
3 and science;

4 ~~[G-]~~ J. "instructional support provider" means a
5 person who is employed to support the instructional program of
6 a school district, including educational assistant, school
7 counselor, social worker, school nurse, speech-language
8 pathologist, psychologist, physical therapist, occupational
9 therapist, recreational therapist, interpreter for the deaf and
10 diagnostician;

11 ~~[H-]~~ K. "licensed school employee" means teachers,
12 school administrators and instructional support providers;

13 ~~[I-]~~ L. "local school board" means the policy-
14 setting body of a school district;

15 ~~[J-]~~ M. "local superintendent" means the chief
16 executive officer of a school district;

17 N. "October enrollment" means the total enrollment
18 in a public school or school district on the second Wednesday
19 in October;

20 ~~[K-]~~ O. "parent" includes a guardian or other
21 person having custody and control of a school-age person;

22 ~~[L-]~~ P. "private school" means a school, other than
23 a home school, that offers on-site programs of instruction and
24 that is not under the control, supervision or management of a
25 local school board;

.173033.1

underscored material = new
[bracketed material] = delete

1 [M-] Q. "public school" means that part of a school
2 district that is a single attendance center in which
3 instruction is offered by one or more teachers and is
4 discernible as a building or group of buildings generally
5 recognized as either an elementary, middle, junior high or high
6 school or any combination of those and includes a charter
7 school;

8 R. "qualified student" means a public school
9 student who:

10 (1) has not graduated from high school; and

11 (2) is regularly enrolled in one-half or more
12 of the minimum course requirements approved by the department
13 for public school students; and

14 (3) is at least five years of age prior to
15 12:01 a.m. on September 1 of the school year or will be five
16 years of age prior to 12:01 a.m. on September 1 of the school
17 year if the student is enrolled in an extended-year
18 kindergarten program that begins prior to the start of the
19 regular school year; or

20 (4) is at least three years of age at any time
21 during the school year and is receiving special education
22 pursuant to rules of the department; or

23 (5) has not reached the student's twenty-
24 second birthday on the first day of the school year and is
25 receiving special education in accordance with federal law;

.173033.1

underscored material = new
[bracketed material] = delete

1 [N-] S. "school" means a supervised program of
2 instruction designed to educate a student in a particular
3 place, manner and subject area;

4 [Θ-] T. "school administrator" means a person
5 licensed to administer in a school district and includes school
6 principals and central district administrators;

7 [P-] U. "school-age person" means a person who is
8 at least five years of age prior to 12:01 a.m. on September 1
9 of the school year and who has not received a high school
10 diploma or its equivalent. A maximum age of twenty-one shall
11 be used for a school-age person who ~~[is classified as]~~ receives
12 special education ~~[membership as defined in Section 22-8-21~~
13 ~~NMSA 1978 or as a resident of a state institution]~~ as provided
14 in Sections 22-13-5, 22-13-7 and 22-13-8 NMSA 1978;

15 [Θ-] V. "school building" means a public school, an
16 administration building and related school structures or
17 facilities, including teacher housing, that is owned, acquired
18 or constructed by the school district as necessary to carry out
19 the functions of the school district;

20 [R-] W. "school bus private owner" means a person,
21 other than a school district, the department, the state or any
22 other political subdivision of the state, that owns a school
23 bus;

24 [S-] X. "school district" means an area of land
25 established as a political subdivision of the state for the

.173033.1

underscored material = new
[bracketed material] = delete

1 administration of public schools and segregated geographically
2 for taxation and bonding purposes;

3 [T.] Y. "school employee" includes licensed and
4 nonlicensed employees of a school district;

5 [U.] Z. "school principal" means the chief
6 instructional leader and administrative head of a public
7 school;

8 [V.] AA. "school year" means the total number of
9 [contract] instructional days offered by public schools in a
10 school district during a period of twelve consecutive months;

11 [W.] BB. "secretary" means the secretary of public
12 education;

13 CC. "special education" means the provision of
14 services additional to, supplementary to or different from
15 those provided in the general school program of a public school
16 to students who are required by the federal Individuals with
17 Disabilities Education Act to have an individualized education
18 program, and including developmentally disabled three- and
19 four-year-old children attending public school;

20 [X.] DD. "state agency" or "state institution"
21 means the New Mexico military institute, New Mexico school for
22 the blind and visually impaired, New Mexico school for the
23 deaf, New Mexico boys' school, girls' welfare home, New Mexico
24 youth diagnostic and development center, Sequoyah adolescent
25 treatment center, Carrie Tingley crippled children's hospital,

.173033.1

1 New Mexico behavioral health institute at Las Vegas and any
2 other state agency responsible for educating resident children;

3 ~~[Y-]~~ EE. "state educational institution" means an
4 institution enumerated in Article 12, Section 11 of the
5 constitution of New Mexico;

6 FF. "student" means a school-age person who is a
7 public school student;

8 ~~[Z-]~~ GG. "substitute teacher" means a person who
9 holds a certificate to substitute for a teacher in the
10 classroom;

11 ~~[AA-]~~ HH. "teacher" means a person who holds a
12 level one, two or three-A license and whose primary duty is
13 classroom instruction or the supervision, below the school
14 principal level, of an instructional program or whose duties
15 include curriculum development, peer intervention, peer
16 coaching or mentoring or serving as a resource teacher for
17 other teachers;

18 ~~[BB-]~~ II. "certified school instructor" means a
19 teacher or instructional support provider; and

20 ~~[GG-]~~ JJ. "certified school employee" or "certified
21 school personnel" means a licensed school employee."

22 Section 3. Section 22-2-8.1 NMSA 1978 (being Laws 1986,
23 Chapter 33, Section 2, as amended) is amended to read:

24 "22-2-8.1. LENGTH OF SCHOOL DAY--MINIMUM.--

25 A. Except as otherwise provided in this section,

.173033.1

1 ~~[regular]~~ general students shall be in school-directed
2 programs, exclusive of lunch, for a minimum of the following:

3 (1) kindergarten, for half-day programs, two
4 and one-half hours per day or four hundred fifty hours per
5 year, ~~[or]~~ and, for full-day programs, five and one-half hours
6 per day or nine hundred ninety hours per year;

7 (2) grades one through six, five and one-half
8 hours per day or nine hundred ninety hours per year; and

9 (3) grades seven through twelve, six hours per
10 day or one thousand eighty hours per year.

11 B. Beginning with the 2011-2012 school year,
12 general students shall be in school-directed programs,
13 exclusive of lunch, for a minimum of the following:

14 (1) kindergarten, for half-day programs, two
15 and one-half hours per day or four hundred sixty-two and one-
16 half hours per year, and, for full-day programs, five and one-
17 half hours per day or one thousand seventeen and one-half hours
18 per year;

19 (2) grades one through six, five and one-half
20 hours per day or one thousand seventeen and one-half hours per
21 year; and

22 (3) grades seven through twelve, six hours per
23 day or one thousand one hundred ten hours per year.

24 ~~[B-]~~ C. Thirty-three hours of the full-day
25 kindergarten program may be used for home visits by the teacher

1 or for parent-teacher conferences. Twenty-two hours of grades
2 one through five programs may be used for home visits by the
3 teacher or for parent-teacher conferences.

4 ~~[G.]~~ D. Nothing in this section precludes a local
5 school board from setting length of school days in excess of
6 the minimum requirements established by Subsection A or B of
7 this section.

8 ~~[D.]~~ E. The ~~[state superintendent]~~ secretary may
9 waive the minimum length of school days in those districts
10 where such minimums would create undue hardships as defined by
11 the ~~[state board]~~ department."

12 Section 4. A new section of the Assessment and
13 Accountability Act is enacted to read:

14 "[NEW MATERIAL] EDUCATIONAL PLAN FOR STUDENT SUCCESS--
15 EDUCATIONAL PROGRAMMING.--

16 A. As used in this section:

17 (1) "demographic data" means a school
18 district's funding formula cost factor demographic data and any
19 other demographic data or health status data required by the
20 department or collected by the school district for the purposes
21 of determining educational programming and focusing the
22 educational plan;

23 (2) "educational programming" includes
24 curricula; support services, including library and media,
25 school counseling, health services and athletic and activity

.173033.1

1 programs; and academic improvement strategies, including
2 extended instructional days and year, before- and after-school
3 programs, credit recovery and summer school courses, tutoring
4 and other response to intervention or remediation programs;

5 (3) "local school board" includes governing
6 bodies of charter schools; and

7 (4) "school district" includes charter
8 schools.

9 B. The department shall adopt and promulgate rules
10 to implement the provisions of this section.

11 C. The department shall verify, monitor and
12 evaluate educational plans through the budget approval process
13 and otherwise throughout the year. The department shall ensure
14 that each educational plan is developed and implemented as
15 provided in this section and the rules of the department and
16 that results are evaluated for effectiveness each year.

17 D. Under the policy direction of the local school
18 board, each school district shall:

19 (1) develop, implement and assess a district-
20 level, student-centered "educational plan for student success"
21 as a long-range strategic plan to improve academic achievement
22 and success for all students;

23 (2) use a strategic planning model that is
24 approved by the department; and

25 (3) include the required school plans of

.173033.1

1 public schools that are part of the school district, excluding
2 charter schools, and ensure that those plans are aligned with
3 the educational plan.

4 E. The chartering authority shall approve a charter
5 school's educational plan based on the plan's alignment with
6 the charter.

7 F. The educational plan shall:

8 (1) be specific, measurable, realistic and
9 attainable and include the school plan of each public school in
10 the school district, excluding charter schools, and specify how
11 each of the school plans shall be evaluated and aligned with
12 the educational plan;

13 (2) solicit the input of school district
14 staff, students, parents, businesses, post-secondary
15 educational institutions, tribal governments within the school
16 district and other interested citizens in the community at
17 large;

18 (3) address the major core issues identified
19 through the public input process;

20 (4) implement the department's standards of
21 excellence, including the content standards and benchmarks, and
22 other programmatic requirements of state and federal law and
23 rules adopted in accordance with those laws;

24 (5) include focus areas and goals that address
25 student needs based on demographic data and student academic

.173033.1

1 achievement data;

2 (6) identify areas of student need that must
3 be addressed to ensure that students meet the educational
4 benchmarks specified in the state content standards and
5 benchmarks;

6 (7) identify resources to address student
7 needs, including such items as:

8 (a) highly qualified teachers, academic
9 coaches, resource teachers, interventionists, specialists,
10 counselors, educational assistants and other instructional
11 support personnel, and how staffing assignments of these
12 personnel shall be used in a proactive manner to assist
13 students in need of particular services;

14 (b) professional development and time
15 for in-school collaboration for instructional staff;

16 (c) administrative and classroom
17 technology and access to distance learning opportunities for
18 students and staff;

19 (d) parental involvement and outreach
20 initiatives;

21 (e) involvement by post-secondary
22 educational institutions, tribal governments and the business
23 community; and

24 (f) other resources identified by the
25 school district or department;

.173033.1

1 (8) implement the state and district
2 assessment systems;

3 (9) demonstrate student progress toward the
4 educational plan's focus areas and goals;

5 (10) provide for a comprehensive and periodic
6 evaluation of the educational plan by the school district; and

7 (11) be updated annually and submitted to the
8 department by March 1 or another date determined by the
9 department.

10 G. Each school district shall oversee the
11 development, implementation, assessment and evaluation of all
12 site-level school plans and shall ensure that those plans are
13 aligned with the school district's educational plan.

14 H. School plans shall include:

15 (1) data-based strategies and activities to
16 support each of the school district-level focus areas and
17 goals;

18 (2) identification of persons responsible for
19 the implementation of the strategies and activities;

20 (3) time lines for the start and completion of
21 those strategies and activities;

22 (4) the educational programming targeted to
23 the school's demographic data and student academic achievement;

24 (5) formal and informal professional
25 development activities that support each of the school

.173033.1

1 district-level focus areas and goals; and

2 (6) availability of school, district,
3 community and family resources that support each of the school
4 district-level focus areas and goals.

5 I. Each public school shall involve school staff,
6 parents and community members in the development and evaluation
7 of the school plan.

8 J. The educational plan shall include the cost
9 factor demographic data of each public school and the school
10 district and shall link educational programming to those and
11 other demographic data and the student academic achievement
12 data reported pursuant to the Assessment and Accountability
13 Act.

14 K. Educational programming shall be assessed
15 through the educational plan. As part of the approval process
16 of the educational plan and the operating budget of a school
17 district, the department shall consider how the school district
18 proposes to address specifically the needs of low-income
19 students, students who are not proficient in English, students
20 whose education is disrupted by mobility, students in need of
21 special education and gifted students.

22 L. Based on the demographic profiles of students,
23 student academic achievement data and the department's
24 standards of excellence, the educational plan shall include
25 educational programming for:

.173033.1

1 (1) bilingual and multicultural education,
2 including culturally relevant learning environments,
3 educational opportunities and culturally relevant instructional
4 materials;

5 (2) health and wellness, including physical
6 education, athletics, nutrition and health education;

7 (3) career-technical education;

8 (4) visual and performing arts and music;

9 (5) gifted education, advanced placement and
10 honors programs;

11 (6) special education; and

12 (7) distance education.

13 M. The local school board shall approve the
14 educational plan and submit it to the department.

15 N. The secretary shall disapprove an educational
16 plan in whole or in part if it does not meet the requirements
17 of this section or other provisions of the Public School Code.
18 The secretary shall provide the local school board and the
19 school district with a written report that specifies which
20 parts of the educational plan the secretary is disapproving,
21 reasons for the disapproval and suggestions for improvement.
22 The school district has thirty days to submit a revised
23 educational plan, during which time the department shall assist
24 the school district as requested.

25 O. If the local school board does not approve a

.173033.1

1 revised educational plan or if the department does not
2 recommend approval of the revised educational plan, the
3 secretary shall hold a public hearing within twenty days after
4 the revised educational plan was due.

5 P. The secretary shall appoint (HEC #1) [~~a hearing~~
6 ~~officer~~] *an impartial person* to conduct the public hearing.

7 All parties, including the public, shall be given an
8 opportunity to present their views about the original
9 educational plan and any revisions to that plan. The
10 (HEC #2) [~~hearing officer~~] *impartial person* shall make
11 recommendations to the secretary within ten days of the public
12 hearing. The secretary shall make the final decision (HEC #3)
13 [~~on whether to accept the school district's original plan, the~~
14 ~~revised plan or a department-developed educational plan~~]. The
15 final educational plan shall be aligned with the department-
16 approved operating budget."

17 Section 5. A new section of the Public School Finance Act
18 is enacted to read:

19 "[NEW MATERIAL] 2009 FUNDING FORMULA--FINDINGS AND
20 PURPOSE.---

21 A. The legislature finds that based on a two-year
22 study to determine the best method of funding (HAFC #1) [~~a~~
23 ~~sufficient~~] public education for New Mexico's children, the
24 state, school districts and charter schools would be better
25 served by a new funding formula that incorporates:

.173033.1

1 (1) a smaller and simplified set of
2 student-needs weighting factors to achieve a more equitable
3 distribution of the state's equalization guarantee;

4 (2) a simplified set of programmatic
5 weights that accounts for (HEC #4) [student] grade level
6 composition for elementary, middle and high school students;
7 and

8 (3) a weighting schedule that accounts
9 separately for the scale of school district and charter school
10 operations.

11 B. The legislature finds further that the 2009
12 funding formula:

13 (1) avoids unnecessary complexity by
14 focusing directly on the factors associated with student needs
15 and scale;

16 (2) appropriately promotes and preserves both
17 vertical and horizontal equity across school districts;

18 (3) minimizes incentives to pursue funding not
19 directly linked to student needs; and

20 (4) captures components in the pre-2009
21 funding formula and is more precise in measuring student need
22 and scale.

23 C. The legislature finds further that the cost
24 factors used in the 2009 funding formula better measure need by
25 addressing special cost differentials associated with students

1 that have special educational needs as well as particular types
2 of local educational agency. The poverty, English language
3 learner and special education cost factors measure those
4 federally recognized attributes that unambiguously reflect the
5 special educational needs of students. The cost factor for
6 mobility recognizes the significant impact of disruption on
7 students' educational experience. The cost factors for grade
8 level enrollment address the knowledge gained from educational
9 research and experience that educating students becomes more
10 expensive as they progress through the educational system from
11 elementary through secondary school. Total school district or
12 charter school enrollment is included as a cost factor that
13 accounts for relative economies of scale in the delivery of
14 educational services.

15 D. The legislature finds further that the federal
16 No Child Left Behind Act of 2001 requires states to employ
17 highly qualified teachers to teach students in core academic
18 subjects. The federal Individuals with Disabilities Education
19 Act requires highly qualified personnel to provide holistic
20 services for students in need of special education, as well as
21 staff who are qualified to intervene before students are
22 classified as needing special education. To carry out these
23 mandates, and to continue encouraging school districts to hire
24 and retain highly qualified teachers and instructional support
25 providers, the 2009 funding formula replaces the training and

.173033.1

1 experience index with an index of staff qualifications to
2 provide the means to cover the costs associated with increased
3 academic qualifications and experience for these personnel."

4 Section 6. Section 22-8-2 NMSA 1978 (being Laws 1978,
5 Chapter 128, Section 3, as amended) is repealed and a new
6 Section 22-8-2 NMSA 1978 is enacted to read:

7 "22-8-2. [NEW MATERIAL] DEFINITIONS.--As used in the
8 Public School Finance Act:

9 A. "base per-student cost" means the reference
10 value cost of providing an educational program to a qualified
11 student attending the average size district with the average
12 composition of enrollment across grade ranges kindergarten
13 through five, six through eight and nine through twelve and
14 with no formula adjustments applied;

15 B. "cost factor" means a measure of student need,
16 grade level composition, scale of operations or staff
17 qualifications;

18 C. "enrollment" means the number of qualified
19 students on the current roll of a class or public school on a
20 specified day;

21 D. "formula adjustment" means a component of the
22 funding formula that accounts for a differential cost
23 associated with a cost factor;

24 E. "governing body" means the governing body of a
25 charter school;

.173033.1

1 F. "growth" means that a school district's or
2 charter school's current-year October total enrollment is
3 greater than its prior-year October total enrollment;

4 G. "head administrator" means the person
5 responsible for the day-to-day operations of a charter school;

6 H. "mobility rate" means the district-level
7 student-weighted average percentage of total enrollment that
8 entered or left the school over the school year;

9 I. "operating budget" means the annual financial
10 plan required to be submitted by a local school board or
11 governing body;

12 J. "public money" or "public funds" means all money
13 from public or private sources received by a school district or
14 governing body or officer or employee of a school district or
15 governing body for public use;

16 K. "sufficient per-student cost" means the base
17 per-student cost multiplied by the applicable formula
18 adjustments;

19 L. "total enrollment" means the number of qualified
20 students on a school's or charter school's roll on a specified
21 day in all grade levels and in programs for three- and four-
22 year-old developmentally disabled qualified students; and

23 M. "total program cost" means the sufficient per-
24 student cost multiplied by the number of students in a school
25 district or charter school."

.173033.1

underscored material = new
[bracketed material] = delete

1 Section 7. A new section of the Public School Finance Act
2 is enacted to read:

3 "[NEW MATERIAL] ESTABLISHMENT OF ENROLLMENT.--The current
4 roll of a class, public school and school district or charter
5 school is established by the addition of original entries and
6 re-entries minus withdrawals. Withdrawals of qualified
7 students, in addition to qualified students formally withdrawn
8 from the public school, include qualified students absent from
9 the public school for as many as ten consecutive school days;
10 provided that withdrawals do not include truants and habitual
11 truants with whom the school district or charter school is
12 required to intervene and keep in an educational setting as
13 provided in Section 22-12-9 NMSA 1978."

14 Section 8. Section 22-8-6 NMSA 1978 (being Laws 1967,
15 Chapter 16, Section 60, as amended by Laws 1999, Chapter 281,
16 Section 21 and by Laws 1999, Chapter 291, Section 2) is amended
17 to read:

18 "22-8-6. BUDGETS--SUBMISSION--FAILURE TO SUBMIT.--

19 A. Prior to April 15 of each year, each local
20 school board shall submit to the department [~~an~~] a proposed
21 operating budget for the school district [~~and any charter~~
22 ~~schools in the district~~] for the ensuing fiscal year. Upon
23 written approval of the [~~state superintendent~~] secretary, the
24 date for the submission of the operating budget as required by
25 this section may be extended to a later date fixed by the

.173033.1

1 [state superintendent] secretary.

2 B. In order to receive final budget approval, the
3 operating budget must be aligned to the school district's
4 approved educational plan.

5 [B.] C. The proposed operating budget required by
6 this section may include:

7 (1) estimates of the cost of insurance
8 policies for periods up to five years if a lower rate may be
9 obtained by purchasing insurance for the longer term; ~~[or]~~ and

10 (2) estimates of the cost of contracts for the
11 transportation of students for terms extending up to four
12 years.

13 ~~[C. The operating budget required by this section~~
14 ~~shall include a budget for each charter school of the~~
15 ~~membership projected for each charter school, the total program~~
16 ~~units generated at that charter school and approximate~~
17 ~~anticipated disbursements and expenditures at each charter~~
18 ~~school.]~~

19 D. If a local school board fails to submit ~~[a]~~ its
20 budget pursuant to this section, the department shall prepare
21 the operating budget for the school district for the ensuing
22 fiscal year. A local school board shall be considered as
23 failing to submit a budget pursuant to this section if the
24 budget submitted:

25 (1) exceeds the total projected resources of

.173033.1

1 the school district ~~[or if the budget submitted];~~

2 (2) does not comply with the law or with rules
3 and procedures of the department; or

4 (3) except as provided in Subsection D of
5 Section 22-8-11 NMSA 1978, is not aligned with the school
6 district's approved educational plan."

7 Section 9. Section 22-8-6.1 NMSA 1978 (being Laws 1993,
8 Chapter 227, Section 8, as amended) is repealed and a new
9 Section 22-8-6.1 NMSA 1978 is enacted to read:

10 "22-8-6.1. [NEW MATERIAL] CHARTER SCHOOL BUDGETS.--

11 A. Prior to April 15 of each year, the governing
12 body of each state-chartered charter school shall submit its
13 proposed operating budget to the charter schools division of
14 the department for its approval or amendment pursuant to the
15 Public School Finance Act and the Charter Schools Act. In
16 order to receive final budget approval, the proposed budget
17 must be aligned to the school's approved educational plan.

18 B. Prior to April 15 of each year, the governing
19 body of each locally chartered charter school shall submit its
20 proposed operating budget at the same time to the department
21 and the school district that chartered it. In order to be
22 approved, the proposed budget must be aligned to the school's
23 approved educational plan. The budget shall be submitted to
24 the local school board for approval. The approval authority of
25 the local school board is limited to ensuring that sound fiscal

.173033.1

1 practices are followed in the development of the budget and
2 that the budget is within the allotted resources. The local
3 school board shall have no veto authority over individual line
4 items within the budget, but shall approve or disapprove the
5 budget only in its entirety. The local school board shall
6 notify the department of its approval or disapproval of the
7 budget, including its reasons for disapproval.

8 C. Upon written approval of the secretary, the date
9 for submission of a proposed budget may be extended to a later
10 date fixed by the secretary. If the governing body fails to
11 submit its proposed operating budget pursuant to this section,
12 the department shall prepare the budget for the charter school
13 for the ensuing fiscal year. A governing body shall be
14 considered as failing to submit a budget pursuant to this
15 section if the budget submitted:

16 (1) exceeds the total projected resources of
17 the charter school;

18 (2) does not comply with the law or with rules
19 and procedures of the department; or

20 (3) except as provided in Subsection D of
21 Section 22-8-11 NMSA 1978, is not aligned with the charter
22 school's approved educational plan.

23 D. For the first year of operation, the proposed
24 operating budget of a charter school shall be based on the
25 projected enrollment and cost factor demographic data of that

.173033.1

1 charter school and the index of staff qualifications of the
2 school district in which the charter school is geographically
3 located. The operating budget shall be adjusted based on the
4 actual October enrollment and cost factor demographic data.
5 For second and subsequent years of operation, the operating
6 budget shall be based on the charter school's own cost factor
7 demographic data and index of staff qualifications."

8 Section 10. Section 22-8-8 NMSA 1978 (being Laws 1967,
9 Chapter 16, Section 62, as amended) is amended to read:

10 "22-8-8. BUDGETS--MINIMUM STUDENT ~~[MEMBERSHIP]~~
11 ENROLLMENT.--Without prior approval of the ~~[state~~
12 ~~superintendent]~~ secretary, no local school board or governing
13 body shall maintain or provide a budget allowance for a public
14 school having an ~~[average daily membership]~~ enrollment of
15 ~~[less]~~ fewer than eight."

16 Section 11. Section 22-8-9 NMSA 1978 (being Laws 1967,
17 Chapter 16, Section 63, as amended) is amended to read:

18 "22-8-9. BUDGETS--MINIMUM REQUIREMENTS.--

19 A. A budget for a school district shall not be
20 approved by the department that does not provide for:

21 (1) a school year consisting of at least one
22 hundred eighty full instructional days or the equivalent
23 thereof, exclusive of any release time for in-service training;
24 or

25 (2) a variable school year consisting of a

.173033.1

underscored material = new
[bracketed material] = delete

1 minimum number of instructional hours established by the [state
2 board] department; and

3 (3) a pupil-teacher ratio or class or teaching
4 load as provided in Section 22-10A-20 NMSA 1978.

5 B. Beginning with the 2011-2012 school year, a
6 budget for a school district shall not be approved by the
7 department that does not provide for a school year consisting
8 of at least one hundred eighty-five full instructional days or
9 the equivalent on a variable calendar. Teachers and
10 instructional support staff shall be paid for at least four
11 days additional to the school year for professional development
12 or instructional planning.

13 ~~[B.]~~ C. The ~~[state board]~~ department shall, by
14 rule, establish the requirements for an instructional day, the
15 standards for an instructional hour and the standards for a
16 full-time teacher and for the equivalent thereof."

17 Section 12. Section 22-8-11 NMSA 1978 (being Laws 1967,
18 Chapter 16, Section 66, as amended) is amended to read:

19 "22-8-11. BUDGETS--APPROVAL OF OPERATING BUDGET.--

20 A. On or before (HEC #5) [June 30] July 1 of each
21 year, the department shall [(1) on or before July 1 of each
22 year] approve and certify [to] the operating budget for each
23 [local] school [board] district and [governing body of a state-
24 chartered] charter school [an operating budget for use by the
25 school district or state-chartered charter school; and (2)].

.173033.1

1 The department may make corrections, revisions and amendments
2 to the operating budgets fixed by the local school boards or
3 governing bodies [~~of state-chartered charter schools and the~~
4 ~~secretary~~] to conform the budgets to the requirements of law
5 and to the department's rules and procedures.

6 B. No school district or [~~state-chartered~~] charter
7 school or officer or employee of a school district or [~~state-~~
8 ~~chartered~~] charter school shall make any expenditure or incur
9 any obligation for the expenditure of public [~~funds~~] money
10 unless that expenditure or obligation is made in accordance
11 with an operating budget approved by the department. This
12 prohibition does not prohibit the transfer of [~~funds~~] money
13 pursuant to the department's rules and procedures.

14 C. The department shall not approve and certify an
15 operating budget of any school district or [~~state-chartered~~]
16 charter school that [~~fails to~~] does not align with the
17 educational plan and demonstrate that parental involvement in
18 the budget process was solicited.

19 D. The department may approve a conditional
20 operating budget if a school district's or charter school's
21 educational plan is in the process of being approved as
22 provided in Section 4 of this 2008 act. After the secretary's
23 final decision on the educational plan, the conditional
24 operating budget shall be aligned with the department-approved
25 educational plan and become the operating budget for the

1 applicable fiscal year. (HEC #6) [~~If the approved operating~~
2 ~~budget requires a decrease or increase in the school district's~~
3 ~~state equalization guarantee distribution, the department shall~~
4 ~~adjust the monthly allotments accordingly.]~~"

5 Section 13. Section 22-8-12.1 NMSA 1978 (being Laws 1978,
6 Chapter 128, Section 5, as amended) is amended to read:

7 "22-8-12.1. [~~MEMBERSHIP~~] SUFFICIENT PER-STUDENT COST
8 PROJECTIONS AND BUDGET REQUESTS.--

9 A. Beginning with projections for the 2009-2010
10 school year, each [~~local school board or governing body of a~~
11 ~~state-chartered~~] school district and charter school shall
12 submit annually, on or before October 15, to the department:

13 (1) an estimate for the succeeding fiscal year
14 of:

15 (a) the [~~membership of qualified~~
16 ~~students to be enrolled in the basic program~~] enrollment by
17 grade level;

18 (b) the full-time-equivalent [~~membership~~
19 ~~of students to be enrolled~~] enrollment in approved early
20 childhood education programs; [~~and~~]

21 (c) the [~~membership of students to be~~
22 ~~enrolled~~] enrollment in approved special education programs;
23 and

24 (d) the cost factor demographic data by
25 grade level;

.173033.1

underscored material = new
[bracketed material] = delete

1 (2) all other information necessary to
2 calculate total program [~~costs~~] cost; and

3 (3) any other information related to the
4 financial needs of the school district or [~~state-chartered~~]
5 charter school as may be requested by the department.

6 B. All information requested pursuant to Subsection
7 A of this section shall be submitted on forms prescribed and
8 furnished by the department and shall comply with the
9 department's rules and procedures.

10 C. The department shall:

11 (1) review the financial needs of each school
12 district [~~or state-chartered~~] and charter school for the
13 succeeding fiscal year; and

14 (2) submit annually, on or before November
15 (HEC #7) [~~30~~] 20, to the secretary of finance and
16 administration the recommendations of the department for:

17 (a) amendments to the public school
18 [~~finance~~] funding formula;

19 (b) appropriations for the succeeding
20 fiscal year to the public school fund for inclusion in the
21 executive budget document; and

22 (c) appropriations for the succeeding
23 fiscal year for [~~pupil~~] student transportation and
24 instructional materials."

25 Section 14. Section 22-8-13 NMSA 1978 (being Laws 1974,

.173033.1

Chapter 8, Section 3, as amended) is amended to read:

"22-8-13. REPORTS.--

A. Each public school ~~[in a school district and each state-chartered charter school]~~ shall keep accurate records concerning ~~[membership]~~ enrollment in the public school ~~[The superintendent of]~~.

B. The dates for which enrollment is reported are as follows:

(1) first reporting date, second Wednesday in October;

(2) second reporting date, second Wednesday in December; and

(3) third reporting date, second Wednesday in February.

C. The department may require enrollment or other reports at other times specified by the department.

D. Each school district or ~~[head administrator of a state-chartered]~~ charter school shall maintain the following reports for each ~~[twenty-day]~~ enrollment reporting period:

(1) the ~~[basic program MEM]~~ enrollment and cost factor demographic data by grade in each public school;

(2) the early childhood education ~~[MEM]~~ enrollment;

(3) the special education ~~[MEM in each public school in class C and class D programs as defined in Section~~

.173033.1

underscored material = new
[bracketed material] = delete

1 ~~22-8-21 NMSA 1978;~~

2 ~~(4) the number of class A and class B programs~~
3 ~~as defined in Section 22-8-21 NMSA 1978; and] enrollment; and~~

4 ~~[(5)] (4) the [full-time equivalent MEM for]~~
5 bilingual multicultural education [programs] enrollment.

6 [B. ~~The superintendent of~~] E. Each school district
7 and ~~[the head administrator of each state-chartered]~~ charter
8 school shall furnish all reports, including financial reports
9 required by the department, to the department ~~[reports of the~~
10 ~~information required in Paragraphs (1) through (5) of~~
11 ~~Subsection A of this section for the first forty days of the~~
12 ~~school year. The forty-day report and all other reports~~
13 ~~required by law or by the department shall be furnished]~~ within
14 five days of the close of [the] each reporting period.

15 [G.] F. All information required pursuant to this
16 section shall be on forms prescribed and furnished by the
17 department. A copy of any report made pursuant to this section
18 shall be kept as a permanent record of the school district or
19 charter school and shall be subject to inspection and audit at
20 any reasonable time.

21 [D.] G. The department ~~[shall]~~ may withhold up to
22 one hundred percent of the allotments of funds to any school
23 district or ~~[state-chartered]~~ charter school ~~[where]~~ when the
24 local superintendent or head administrator has failed to comply
25 with the requirements of this section. Withholding may

.173033.1

1 continue until the local superintendent or head administrator
2 complies with and agrees to continue complying with the
3 requirements of this section.

4 [E.] H. The provisions of this section may be
5 modified or suspended by the department for any school district
6 or [~~school or state-chartered~~] charter school operating under
7 the Variable School Calendar Act. The department shall require
8 [MEM] the reports consistent with the calendar of operations of
9 [~~such~~] the school district or [~~school or state-chartered~~]
10 charter school and shall calculate an equivalent [MEM]
11 enrollment for use in projecting school district or charter
12 school revenue."

13 Section 15. Section 22-8-14 NMSA 1978 (being Laws 1967,
14 Chapter 16, Section 69, as amended) is amended to read:

15 "22-8-14. PUBLIC SCHOOL FUND.--

16 A. The "public school fund" is created in the state
17 treasury. The fund consists of appropriations, earmarked
18 revenue, income from investment of the fund and any other money
19 credited to the fund.

20 B. The public school fund shall be distributed to
21 school districts and state-chartered charter schools in the
22 following parts:

- 23 (1) state equalization guarantee distribution;
- 24 (2) transportation distribution; and
- 25 (3) supplemental distributions:

.173033.1

1 (a) out-of-state tuition to school
2 districts;

3 (b) emergency; and

4 (c) program enrichment.

5 C. The distributions of the public school fund
6 shall be made by the department within limits established by
7 law. The balance remaining in the public school fund at the
8 end of each fiscal year shall not revert to the general fund
9 ~~[unless otherwise provided by law]~~.

10 (HAFC #2) D. *Until the funding formula provided for in*
11 *Section 17 of this 2008 act is implemented, all revenue*
12 *dedicated to public school purposes by a law that is enacted or*
13 *constitutional amendment that is approved after January 1, 2008*
14 *shall be credited to a separate account in the public school*
15 *fund. Money sequestered in this separate account shall not be*
16 *counted as part of a state reserve for bonding or any other*
17 *purpose other than to provide the marginal cost of implementing*
18 *the funding formula as provided in Subsection 0 of Section 17*
19 *of this 2008 act."*

20 Section 16. Section 22-8-17 NMSA 1978 (being Laws 1974,
21 Chapter 8, Section 7, as amended) is amended to read:

22 "22-8-17. TOTAL PROGRAM COST DETERMINATION--REQUIRED
23 INFORMATION.--

24 A. The department shall calculate the total program
25 cost for each school district and charter school ~~[shall be~~

.173033.1

underscored material = new
[bracketed material] = delete

1 ~~determined by the department]~~ in accordance with the provisions
2 of the Public School Finance Act.

3 B. The department is authorized to require from
4 each school district and charter school the information
5 necessary to make an accurate determination of the district's
6 or charter school's total program cost."

7 Section 17. Section 22-8-18 NMSA 1978 (being Laws 1974,
8 Chapter 8, Section 8, as amended by Laws 2007, Chapter 347,
9 Section 1 and by Laws 2007, Chapter 348, Section 2 and also by
10 Laws 2007, Chapter 365, Section 1) is repealed and a new
11 Section 22-8-18 NMSA 1978 is enacted to read:

12 "22-8-18. [NEW MATERIAL] PROJECTED SUFFICIENT PER-STUDENT
13 COST CALCULATION FOR SCHOOL DISTRICTS AND CHARTER SCHOOLS--
14 LOCAL RESPONSIBILITY.--

15 A. As used in this section:

16 (1) "ENR" means total enrollment;

17 (2) "exp" means the exponential function with
18 its base being the mathematical constant e; and

19 (3) "ln" means natural logarithm.

20 B. The cost factors used to determine the
21 sufficient per-student cost for a school district or charter
22 school are:

23 (1) poverty, which is measured by the
24 percentage of qualified students in a school who qualified for
25 free or reduced-price lunch as of September 30 of the prior

.173033.1

1 school year;

2 (2) English language learners, which is
3 measured by the percentage of qualified students designated as
4 English language learners based on a department-approved
5 English language proficiency assessment;

6 (3) special education, which is measured by
7 sixteen percent of the number of qualified students for school
8 districts and by the percentage of qualified students who are
9 required by the federal Individuals with Disabilities Education
10 Act to have an individualized education program for the
11 delivery of special education and includes developmentally
12 disabled three- and four-year-old qualified students for
13 charter schools;

14 (4) mobility, which is the mobility rate
15 determined by the following formula: $1 - (1 + (1 + \text{statewide}$
16 $\text{mobility ratio}))$, where the mobility ratio is determined
17 annually by the department;

18 (5) the percent of total district enrollment
19 in grades six through eight;

20 (6) the percent of total district enrollment
21 in grades nine through twelve;

22 (7) the total district enrollment; and

23 (8) the weighted index of staff
24 qualifications.

25 C. The sufficient per-student cost for school

.173033.1

1 districts is determined by multiplying the base per-student
2 cost by a series of formula adjustments as follows:

3 "base per-student cost x
4 $[(1 + \text{percent free/reduced-fee lunch})^{0.375}] \times$
5 $[(1 + \text{percent English language learners})^{0.094}] \times$
6 $[(1 + \text{percent special education})^{1.723}] \times$
7 $[(1 + \text{mobility rate})^{0.190}] \times$
8 $[(1 + \text{enrollment percent in grades six-eight})^{0.291} +$
9 $1.063] \times$
10 $[(1 + \text{enrollment percent in grades nine-twelve})^{0.608} +$
11 $1.187] \times$
12 $[(\text{ENR})^{-0.575} \times \exp((\ln(\text{ENR}))^2)^{0.029} + 0.062] \times$
13 weighted index of staff qualifications formula
14 adjustment determined pursuant to Section 22-8-24
15 NMSA 1978".

16 D. The funding formula equation used to determine
17 the sufficient per-student cost for charter schools is
18 determined by multiplying the base per-student cost by a series
19 of formula adjustments as follows:

20 "base per-student cost x
21 $[(1 + \text{percent free/reduced-fee lunch})^{0.375}] \times$
22 $[(1 + \text{percent English language learners})^{0.094}] \times$
23 $[(1 + \text{percent special education})^{1.723}] \times$
24 $[(1 + \text{mobility rate})^{0.190}] \times$
25 $[(1 + \text{enrollment percent in grades six-eight})^{0.291} +$

.173033.1

1 1.074] x

2 [(1+ enrollment percent in grades nine-twelve)^{0.608} ÷
3 1.241] x

4 [(ENR)^{-0.307} x exp((ln(ENR))²)^{0.012} ÷ 0.288] x

5 weighted index of staff qualifications adjustment as
6 determined pursuant to Section 22-8-24 NMSA 1978".

7 E. The exponents and denominators used in the
8 formula adjustments shall remain constant until they are
9 redetermined after the required periodic funding formula study.

10 F. Except as otherwise provided in this section,
11 cost factor demographic data and total enrollment are based on
12 the average of the prior year's total enrollment reported in
13 December and February and the prior-year cost factor
14 demographic data.

15 G. A school district or charter school that is
16 experiencing growth may elect to use the greater of the prior-
17 year average December and February total enrollment or the
18 current-year October total enrollment, as determined by the
19 difference in the prior-year October total enrollment and the
20 current-year October total enrollment.

21 H. A new school district or charter school shall
22 use the current-year October cost factor demographic data and
23 total enrollment for the first year.

24 I. The special education formula adjustment for a
25 school district is calculated using sixteen percent of the

.173033.1

1 number of qualified students in the school district.

2 (HEC #8) ~~[In the 2008-2009 school year, a school district with~~
3 ~~an actual special education identification rate over sixteen~~
4 ~~percent shall reassess its special education students to~~
5 ~~determine whether:~~

6 ~~(1) there is a significant disproportionality~~
7 ~~in the identification rate based on ethnic or racial~~
8 ~~background; and~~

9 ~~(2) individual students should be reevaluated~~
10 ~~to determine the most appropriate education and related~~
11 ~~services needed.]~~

12 J. The special education formula adjustment for a
13 charter school is calculated using the actual number of
14 appropriately identified special education qualified students
15 who are receiving special education on the October enrollment
16 report. The legislature finds that charter schools are
17 designed for unique populations and the range of variation in
18 special education in charter schools is wider and often well
19 below school district averages; therefore, it is rational and
20 reasonable to differentiate between school districts and
21 charter schools in the special education cost factor.

22 K. The department shall assist school districts to
23 implement response to intervention strategies to lower their
24 special education identification rates. It is the intent of
25 the legislature that all school districts and charter schools

.173033.1

1 accurately identify students needing special education and that
2 they implement response to intervention strategies to provide
3 students with the most appropriate services required for their
4 educational success. The department shall report to the
5 legislature by September 1 of each year on:

6 (1) the prior year's special education
7 identification rates in school districts and charter schools;
8 and

9 (2) the adoption and efficacy of response to
10 intervention strategies for each school district and charter
11 school.

12 L. To maintain the funding formula each year, the
13 department shall:

14 (1) update the cost factors of each school
15 district and charter school to determine their respective
16 formula adjustments for that year; and

17 (2) adjust the base per-student cost according
18 to legislative appropriation (HAFC #3) ~~[including inflation.~~
19 ~~As used in this paragraph, inflation is determined by the~~
20 ~~percentage increase, if any:~~

21 ~~(a) of the prior-year legislative~~
22 ~~appropriation for salary increases applied to that statewide~~
23 ~~portion of the budget designated for salaries and benefits; and~~

24 ~~(b) of the prior-year consumer price~~
25 ~~index for all urban consumers for the remaining statewide~~

.173033.1

underscored material = new
[bracketed material] = delete

1 ~~portions of the budget funded through the formula].~~

2 M. The department shall undertake a thorough
3 funding formula study every ten years, or more frequently if
4 the secretary or the legislature determines a need, to update
5 the current funding formula to determine the formula's equation
6 exponents and denominators.

7 N. The sufficient per-student cost is based on a
8 comprehensive instructional program that includes the cost of
9 core academic programs, career-technical education, gifted
10 programs, bilingual-multicultural programs, arts and music,
11 health and physical education and special education and
12 appropriate staff. It is the responsibility of the local
13 school board or governing body to determine its priorities in
14 terms of the needs of the community served by that board or
15 body. Money distributed through the provisions of the Public
16 School Finance Act is discretionary to local school boards and
17 governing bodies to provide the programs identified in their
18 educational plans.

19 (HAFC #4) ~~[0. Beginning with fiscal year 2010, the~~
20 ~~legislature and the department shall use the funding formula~~
21 ~~provided in this section as the method for determining the~~
22 ~~appropriation for and distribution of the state equalization~~
23 ~~guarantee; provided that funding for complete implementation of~~
24 ~~the provisions of this 2008 act may be phased in during a~~
25 ~~period not to exceed three years; and provided further that the~~

.173033.1

underscored material = new
[bracketed material] = delete

1 ~~funding formula shall not be initiated in fiscal year 2010~~
2 ~~unless the 2010 appropriation is equal to at least one-third of~~
3 ~~the difference between the projected total program cost for~~
4 ~~fiscal year 2010 and the actual program cost for fiscal year~~
5 ~~2009 inflated to fiscal year 2010. For the first two years of~~
6 ~~phase-in, if the total program cost for a school district or~~
7 ~~charter school is less than that of the prior fiscal year, the~~
8 ~~total program cost for the school district or charter school~~
9 ~~shall be calculated using the prior fiscal year's total program~~
10 ~~cost adjusted for inflation.]~~

11 0. The legislature shall instruct the department to
12 use the funding formula provided in this section as the method
13 of distributing the state equalization guarantee as soon as
14 approximately three hundred thirty-two million dollars
15 (\$332,000,000) in recurring revenue is available to fund the
16 marginal cost of implementation of the new funding formula,
17 which shall be determined by a December state revenue forecast
18 that indicates that the marginal cost can be met by considering
19 dedicated recurring revenue streams to the separate account in
20 the public school fund and increases in recurring general
21 revenue over the prior year; provided that, prior to
22 implementation, appropriations to the state equalization
23 guarantee distribution above the prior year, excluding
24 legislatively determined inflation and salaries, shall be
25 considered to reduce the marginal cost of implementation. If

.173033.1

1 the provisions of this subsection are not met by July 1, 2012,
2 this section is void."

3 Section 18. A new section of the Public School Finance
4 Act is enacted to read:

5 "[NEW MATERIAL] FORMULA (HAFC #5) [~~PHASE-IN~~] PROGRAMMING.--

6 A. (HAFC #6) [~~During the phase-in of~~] In using the
7 funding formula, a school district or charter school shall use
8 its state equalization guarantee distribution (HAFC #7) [~~above~~
9 ~~the amount it received in the prior fiscal year and the amount~~
10 ~~needed for increases in fixed costs and salaries~~] pursuant to
11 the budget approved by the department, for one or more of the
12 following purposes that support the educational plan:

13 (1) extending the instructional year one or
14 more days;

15 (2) extending the school day for teachers or
16 extending contract days for teachers up to four days beyond the
17 instructional year;

18 (3) offering summer school, credit recovery
19 and enhanced before- and after-school opportunities;

20 (4) lower class sizes and student-teacher
21 ratios;

22 (5) employing academic coaches, resource
23 teachers and specialists, particularly in reading, mathematics
24 and English language learning programs;

25 (6) enhancing intervention efforts for

.173033.1

1 children who may be at risk of academic failure;

2 (7) enhancing remediation programs in language
3 arts and reading, mathematics, science and social studies;

4 (8) improving truancy prevention and
5 intervention strategies, including establishing or enhancing
6 truancy tracking systems and employing truancy officers;

7 (9) establishing or enhancing bilingual-
8 multicultural programs;

9 (10) offering visual and performing arts,
10 music and physical education to more students;

11 (11) enhancing programs for gifted students;

12 (12) enhancing career-technical education
13 programs;

14 (13) employing educational assistants,
15 librarians, counselors, nurses, social workers and student
16 support service staff;

17 (14) providing professional development
18 opportunities for licensed school employees outside the
19 instructional day or year;

20 (15) providing teaching English as a second
21 language (HEC #9) and *bilingual* endorsement courses for
22 instructional staff;

23 (16) providing stipends for instructional
24 staff who have a bilingual or teaching English as a second
25 language endorsement;

.173033.1

1 (17) improving information technology services
2 for students and staff, including employing information
3 technology personnel or contracting with technical consultants;

4 (18) improving the district's ability to
5 collect and analyze student and staff data to improve education
6 management;

7 (19) improving student and school safety; or

8 (20) other measures approved by the department
9 that are tied to the educational plan.

10 B. The use to which increased funding is put
11 pursuant to Subsection A of this section shall be incorporated
12 into the school district's or charter school's educational plan
13 and approved by the department. The educational plan shall
14 provide detailed information:

15 (1) describing the purposes to which increased
16 funding will be applied;

17 (2) the specific outcomes expected from such
18 increased funding;

19 (3) the performance measures to be used to
20 evaluate the efficacy of the purposes to which increased
21 funding was applied; and

22 (4) any other information requested by the
23 department to assist the department and the school district or
24 charter school to evaluate its educational programs or
25 administrative efficiency."

.173033.1

underscored material = new
[bracketed material] = delete

1 Section 19. Section 22-8-24 NMSA 1978 (being Laws 1974,
2 Chapter 8, Section 15, as amended by Laws 1993, Chapter 91,
3 Section 1 and also by Laws 1993, Chapter 237, Section 3) is
4 repealed and a new Section 22-8-24 NMSA 1978 is enacted to
5 read:

6 "22-8-24. [NEW MATERIAL] INDEX OF STAFF QUALIFICATIONS--
7 NATIONAL BOARD CERTIFICATION STIPEND.--

8 A. For the purpose of calculating the index of
9 staff qualifications, the following definitions and limitations
10 apply:

11 (1) "instructional staff" means the personnel
12 assigned to the instructional program of a school district or
13 charter school, including instructional support providers, and
14 excluding principals, substitute teachers, educational
15 assistants, secretaries and clerks;

16 (2) the number of instructional staff to be
17 counted in calculating matrix A and matrix B of the index of
18 staff qualifications is the actual number of full-time
19 equivalent instructional staff on the October payroll of the
20 prior year;

21 (3) the number of years of experience within a
22 level for matrix A or the number of years of experience for
23 matrix B to be used in calculating the index of staff
24 qualifications is that number of years of experience allowed
25 for salary increment purposes on the salary schedule of the

.173033.1

1 school district or charter school; and
 2 (4) the academic degree and additional credit
 3 hours to be used in calculating the index of staff
 4 qualifications are the degree and additional semester credit
 5 hours allowed for salary increment purposes on the salary
 6 schedule of the school district or charter school.

7 B. The factors for each classification of academic
 8 training by years of experience are provided in the following
 9 matrix for teachers:

10 Matrix of Staff Qualifications A - Teachers

	Years of Experience Within Level									
	Level I			Level II				Level III		
Academic Classification	0-1	2-3	4-5	4-6	7-8	9-15	Over 15	7-8	9-15	Over 15
Bachelor's degree	0.64	0.67	0.71	0.76	0.82	0.93	1.04	0.90	1.02	1.17
Master's degree	0.68	0.72	0.76	0.81	0.88	1.00	1.11	0.96	1.09	1.25
Master's degree plus 45 credit hours or post-master's degree	0.71	0.75	0.79	0.85	0.92	1.05	1.16	1.01	1.14	1.31

19 C. The factors for each classification of academic
 20 training by years of experience are provided in the following
 21 matrix for other instructional staff:

22 Matrix of Staff Qualifications B - Other Instructional Staff

	Years of Experience				
Academic Classification	0-2	3-5	6-8	9-15	Over 15
Bachelor's degree or less	0.65	0.78	0.87	0.91	0.91
Bachelor's degree plus 15 credit hours	0.70	0.83	0.87	0.96	1.00

.173033.1

Bachelor's degree plus 45 credit hours or master's degree	0.74	0.87	0.91	1.00	1.04
Master's degree plus 15 credit hours	0.78	0.91	1.00	1.13	1.17
Master's degree plus 45 or post-master's degree	0.87	1.00	1.13	1.22	1.30

D. The index of staff qualifications for each school district and charter school shall be calculated in accordance with instructions issued by the secretary. The following calculation shall be made to compute the value of the index of staff qualifications:

(1) multiply the number of full-time-equivalent teachers in each academic classification and level in matrix A by the numerical factor in the appropriate "years of experience within the level" column provided in Subsection B of this section;

(2) multiply the number of full-time equivalent other instructional staff in each classification and level in matrix B by the numerical factor in the appropriate "years of experience" column provided in Subsection C of this section;

(3) add the adjusted full-time-equivalents calculated in Paragraphs (1) and (2) of this subsection; and

(4) divide the total obtained in Paragraph (3) of this subsection by the total number of full-time-equivalent instructional staff.

E. If the result of the calculation of the index

.173033.1

1 of staff qualifications for a school district or charter
2 school is less than 1.0, its factor shall be 1.0.

3 F. If a new school district is created, the index
4 of staff qualifications for that school district for the first
5 year of operation shall be 1.0.

6 G. If a school district's or charter school's
7 index of staff qualifications is greater than 1.0, the index
8 of staff qualifications formula adjustment used to determine
9 the sufficient per-student cost is equal to the amount
10 determined in Subsection D of this section multiplied by the
11 percentage of the prior year's budget for instructional staff
12 salaries and benefits plus a factor equal to one hundred
13 percent minus the percentage of the prior year's budget for
14 instructional staff salaries and benefits.

15 H. In addition to the sufficient per-student cost,
16 each school district and charter school shall calculate the
17 amount of national board for professional teaching standards
18 certification salary differential due to each national board-
19 certified teacher employed by the school district or charter
20 school on the October report date. The department shall
21 calculate the amount of the salary differential for
22 legislative appropriation based on the amount paid to board-
23 certified teachers in the 2007-2008 base school year adjusted
24 yearly by the same overall percentage increase in teacher
25 salary provided by the legislature. The department shall

.173033.1

underscored material = new
[bracketed material] = delete

1 verify the certification and current employment of board-
2 certified teachers. Department approval of any allocations
3 for this item shall be contingent on verification by the
4 school district or charter school that these teachers will
5 receive the one-time salary differential for the school year
6 equal to the amount calculated."

7 Section 20. Section 22-8-25 NMSA 1978 (being Laws 1981,
8 Chapter 176, Section 5, as amended) is amended to read:

9 "22-8-25. STATE EQUALIZATION GUARANTEE DISTRIBUTION--
10 DEFINITIONS--DETERMINATION OF AMOUNT.--

11 A. The state equalization guarantee distribution
12 is that amount of money distributed to each school district to
13 ensure that its operating revenue, including its local and
14 federal revenues as defined in this section, is at least equal
15 to the school district's total program cost. For [~~state-~~
16 ~~chartered~~] charter schools, the state equalization guarantee
17 distribution is the difference between the [~~state-chartered~~]
18 charter school's total program cost and the two percent
19 withheld by the school district or the department for
20 administrative services.

21 B. "Local revenue", as used in this section, means
22 seventy-five percent of receipts to the school district
23 derived from that amount produced by a school district
24 property tax applied at the rate of fifty cents (\$.50) to each
25 one thousand dollars (\$1,000) of net taxable value of property

.173033.1

1 allocated to the school district and to the assessed value of
2 products severed and sold in the school district as determined
3 under the Oil and Gas Ad Valorem Production Tax Act and upon
4 the assessed value of equipment in the school district as
5 determined under the Oil and Gas Production Equipment Ad
6 Valorem Tax Act.

7 C. "Federal revenue", as used in this section,
8 means receipts to the school district, excluding amounts that,
9 if taken into account in the computation of the state
10 equalization guarantee distribution, result, under federal law
11 or regulations, in a reduction in or elimination of federal
12 school funding otherwise receivable by the school district,
13 derived from the following:

14 (1) seventy-five percent of the school
15 district's share of forest reserve funds distributed in
16 accordance with Section 22-8-33 NMSA 1978; and

17 (2) seventy-five percent of grants from the
18 federal government as assistance to those areas affected by
19 federal activity authorized in accordance with Title 20 of the
20 United States Code, commonly known as "PL 874 funds" or
21 "impact aid".

22 D. To determine the amount of the state
23 equalization guarantee distribution, the department shall

24 ~~[(1) calculate the number of program units to~~
25 ~~which each school district or charter school is entitled using~~

.173033.1

1 ~~an average of the MEM on the eightieth and one hundred~~
2 ~~twentieth days of the prior year; or~~

3 ~~(2) calculate the number of program units to~~
4 ~~which a school district or charter school operating under an~~
5 ~~approved year-round school calendar is entitled using an~~
6 ~~average of the MEM on appropriate dates established by the~~
7 ~~department; or~~

8 ~~(3) calculate the number of program units to~~
9 ~~which a school district or charter school with a MEM of two~~
10 ~~hundred or less is entitled by using an average of the MEM on~~
11 ~~the eightieth and one hundred twentieth days of the prior year~~
12 ~~or the fortieth day of the current year, whichever is greater;~~
13 ~~and~~

14 ~~(4) using the results of the calculations in~~
15 ~~Paragraph (1), (2) or (3) of this subsection and the~~
16 ~~instructional staff training and experience index from the~~
17 ~~October report of the prior school year, establish a total~~
18 ~~program cost of the school district or charter school;~~

19 ~~(5) for school districts, calculate the local~~
20 ~~and federal revenues as defined in this section;~~

21 ~~(6) deduct the sum of the calculations made~~
22 ~~in Paragraph (5) of this subsection from the program cost~~
23 ~~established in Paragraph (4) of this subsection;~~

24 ~~(7)] determine the total program cost for each~~
25 ~~school district and charter school and subtract the local and~~

.173033.1

underscored material = new
[bracketed material] = delete

1 federal revenue. The department shall then deduct the total
2 amount of guaranteed energy savings contract payments that the
3 department determines will be made to the school district from
4 the public school utility conservation fund during the fiscal
5 year for which the state equalization guarantee distribution
6 is being computed and ~~[(8)]~~ deduct ninety percent of the
7 amount certified for the school district by the department
8 pursuant to the Energy Efficiency and Renewable Energy Bonding
9 Act.

10 E. Reduction of a school district's state
11 equalization guarantee distribution pursuant to the Energy
12 Efficiency and Renewable Energy Bonding Act shall cease when
13 the school district's cumulative reductions equal its
14 proportional share of the cumulative debt service payments
15 necessary to service the bonds issued pursuant to ~~[the Energy~~
16 ~~Efficiency and Renewable Energy Bonding]~~ that act.

17 ~~[F. The amount of the state equalization guarantee~~
18 ~~distribution to which a school district is entitled is the~~
19 ~~balance remaining after the deductions made in Paragraphs (6)~~
20 ~~through (8) of Subsection D of this section.~~

21 G.] F. The state equalization guarantee
22 distribution shall be distributed prior to June 30 of each
23 fiscal year. The calculation shall be based on the local and
24 federal revenues specified in this section received from June
25 1 of the previous fiscal year through May 31 of the fiscal

.173033.1

1 year for which the state equalization guarantee distribution
2 is being computed. In the event that a school district or
3 charter school has received more state equalization guarantee
4 funds than its entitlement, a refund shall be made by the
5 school district or charter school to the [~~state general~~]
6 public school fund."

7 Section 21. Section 22-8-41 NMSA 1978 (being Laws 1967,
8 Chapter 16, Section 99, as amended) is amended to read:

9 "22-8-41. RESTRICTION ON OPERATIONAL FUNDS--EMERGENCY
10 ACCOUNTS (HEC #10) CASH BALANCES.--

11 A. A school district shall not expend money from
12 its operational fund for the acquisition of a building site or
13 for the construction of a new structure, unless the school
14 district has bonded itself to practical capacity or the
15 secretary determines and certifies to the legislative finance
16 committee that the expending of money from the operational
17 fund for this purpose is necessary for [~~an adequate~~] (HAFS #8)
18 [~~a sufficient~~] the public educational program and will not
19 unduly hamper the school district's current operations.

20 B. A school district or charter school may budget
21 out of cash balances carried forward from the previous fiscal
22 year an amount not to exceed five percent of its proposed
23 operational fund expenditures for the ensuing fiscal year as
24 an emergency account. Money in the emergency account shall be
25 used only for unforeseen expenditures incurred after the

.173033.1

underscored material = new
[bracketed material] = delete

1 annual budget ~~[was]~~ is approved and shall not be expended
2 without the prior written approval of the secretary.

3 C. In addition to the emergency account, school
4 districts or charter schools may also budget operational fund
5 cash balances carried forward from the previous fiscal year
6 for operational expenditures, exclusive of salaries and
7 payroll, upon specific prior approval of the secretary. The
8 secretary shall notify the legislative finance committee in
9 writing of the secretary's approval of such proposed
10 expenditures. ~~[For fiscal years 2004 and 2005, with the~~
11 ~~approval of the secretary, a school district or charter school~~
12 ~~may budget so much of its operational cash balance as is~~
13 ~~needed for nonrecurring expenditures, including capital~~
14 ~~outlay.~~

15 D. ~~Beginning with fiscal year 2007, prior to~~
16 ~~approval of a school district's or charter school's budget,~~
17 ~~the secretary shall verify that the reductions from the state~~
18 ~~equalization guarantee distribution have been taken pursuant~~
19 ~~to this section.~~

20 E. ~~The allowable limit for a school district's or~~
21 ~~charter school's ending operational cash balance is:~~

22 ~~(1) if the current year program cost is less~~
23 ~~than five million dollars (\$5,000,000), eighteen percent of~~
24 ~~the budgeted expenditures;~~

25 ~~(2) if the current year program cost is five~~

.173033.1

1 million dollars (~~\$5,000,000~~) or more but less than ten million
2 dollars (~~\$10,000,000~~), twelve percent of the budgeted
3 expenditures;

4 ~~(3) if the current year program cost is ten~~
5 ~~million dollars (\$10,000,000) or more but less than twenty-~~
6 ~~five million dollars (\$25,000,000), ten percent of the~~
7 ~~budgeted expenditures;~~

8 ~~(4) if the current year program cost is~~
9 ~~twenty-five million dollars (\$25,000,000) or more but less~~
10 ~~than two hundred million dollars (\$200,000,000), eight percent~~
11 ~~of the budgeted expenditures; and~~

12 ~~(5) if the current year program cost is two~~
13 ~~hundred million dollars (\$200,000,000) or more, five percent~~
14 ~~of the budgeted expenditures.~~

15 F. ~~Except as otherwise provided in this section,~~
16 ~~for the 2006 and subsequent fiscal years, the secretary shall~~
17 ~~reduce the state equalization guarantee distribution,~~
18 ~~calculated pursuant to Section 22-8-25 NMSA 1978, to each~~
19 ~~school district or charter school by an amount equal to the~~
20 ~~school district's or charter school's excess cash balance. As~~
21 ~~used in this section, "excess cash balance" means the~~
22 ~~difference between a school district's or a charter school's~~
23 ~~actual operational cash balance and the allowable limit~~
24 ~~calculated pursuant to Subsection E of this section. However:~~

25 ~~(1) for a school district or charter school~~

underscored material = new
[bracketed material] = delete

1 with a current year program cost that exceeds two hundred
2 million dollars (\$200,000,000), if the excess cash balance is
3 greater than twenty percent of the allowable, unrestricted,
4 unreserved operational cash balance and the emergency reserve,
5 the reduction pursuant to this subsection shall equal twenty
6 percent of the allowable, unrestricted, unreserved operational
7 cash balance and the emergency reserve; and

8 (2) for other school districts and charter
9 schools, if the excess cash balance is greater than eighteen
10 percent of the allowable, unrestricted, unreserved operational
11 cash balance and the emergency reserve, the reduction pursuant
12 to this subsection shall equal eighteen percent of the
13 allowable unrestricted, unreserved operational cash balance
14 and the emergency reserve.

15 G.] D. In developing budgets, school districts and
16 charter schools shall not budget current year cash balances
17 without the approval of the secretary. Cash balances shall be
18 expended pursuant to the school district's or charter school's
19 educational plan.

20 [H. A school district or charter school whose
21 enrollment growth exceeds one percent from the prior year and
22 whose facility master plan includes the addition of a new
23 school within two years may request from the secretary a
24 waiver of up to fifty percent of the reduction otherwise
25 required by Subsection F of this section.

.173033.1

underscored material = new
[bracketed material] = delete

1 ~~I-]~~ E. Upon application by a school district or
2 charter school, the secretary may ~~[waive all or a portion of~~
3 ~~the reduction otherwise required by Subsection F of this~~
4 ~~section if the secretary finds that the]~~ approve the use of a
5 school district's ~~[excess]~~ or charter school's cash balance
6 ~~[is needed]~~ to provide the local match required under the
7 Public School Capital Outlay Act or to recoup an amount paid
8 as the district's share pursuant to Section 22-24-5.7 NMSA
9 1978.

10 ~~[J. Notwithstanding the provisions of Subsection F~~
11 ~~of this section, for fiscal year 2004, the reduction from the~~
12 ~~state equalization guarantee distribution shall be the greater~~
13 ~~of the amount calculated pursuant to that subsection or ten~~
14 ~~dollars (\$10.00) per MEM.~~

15 ~~K. For the purposes of this section, "operational~~
16 ~~cash balance" means the allowable, unrestricted, unreserved~~
17 ~~operational cash balance and the emergency reserve.~~

18 ~~L. For the purposes of this section, "allowable,~~
19 ~~unrestricted, unreserved operational cash balance and the~~
20 ~~emergency reserve" means the proportional share not~~
21 ~~attributable to revenue derived from the school district~~
22 ~~property tax, forest reserve funds and impact aid for which~~
23 ~~the state takes credit in determining a school district's or~~
24 ~~charter school's state equalization guarantee distribution.]"~~

25 Section 22. A new section of the Public School Finance

.173033.1

underscored material = new
[bracketed material] = delete

1 Act is enacted to read:

2 "[NEW MATERIAL] SPECIAL EDUCATION CATASTROPHIC AID FUND--
3 CREATED--DISTRIBUTION--LOCAL EFFORT.--

4 A. As used in this section, "high-cost special
5 education" means the provision of special education and
6 related services to a qualified student that exceeds the
7 threshold amount above the base per-student cost as determined
8 by the department pursuant to appropriation by the
9 legislature.

10 B. The "special education catastrophic aid fund"
11 is created as a nonreverting fund in the state treasury. The
12 fund consists of appropriations, gifts, grants, donations,
13 income from investment of the fund and any other money
14 credited to the fund. The fund shall be administered by the
15 department, and money in the fund is appropriated to the
16 department to provide grants to school districts to assist
17 them in paying costs associated with high-cost special
18 education students.

19 C. A school district may apply to the department
20 for a grant from the fund to help defray the cost of providing
21 high-cost special education. The application shall be in a
22 form approved by the department and shall include the
23 documentation required by the department. A single grant
24 shall not exceed seventy-five percent of the projected cost of
25 providing the high-cost special education for a given school

.173033.1

1 year.

2 D. Based on legislative appropriation each year,
3 the department shall determine the threshold amount for high-
4 cost special education."

5 Section 23. Section 22-13-1.7 NMSA 1978 (being Laws
6 2007, Chapter 348, Section 3) is amended to read:

7 "22-13-1.7. ELEMENTARY PHYSICAL EDUCATION.--

8 A. As used in this section:

9 (1) "eligible students" means students in
10 kindergarten through grade six in a public school classified
11 by the department as an elementary school; and

12 (2) "physical education" includes programs of
13 education through which students participate in activities
14 related to fitness education and assessment; active games and
15 sports; and development of physical capabilities such as motor
16 skills, strength and coordination.

17 B. Elementary physical education programs [~~that~~
18 ~~serve eligible students are eligible for funding if those~~
19 ~~programs]~~ shall meet academic content and performance
20 standards for elementary physical education programs (HEC #11)
21 *and be taught by teachers with a license endorsement for*
22 *physical education.*

23 [~~G. In granting approval for funding of elementary~~
24 ~~physical education programs, the department shall provide that~~
25 ~~programs are first implemented in public schools that have the~~

.173033.1

underscored material = new
[bracketed material] = delete

1 ~~highest proportion of students most in need based on the~~
2 ~~percentage of students eligible for free or reduced-fee lunch~~
3 ~~or grade-level schools that serve an entire school district~~
4 ~~and in public schools with available space. If the department~~
5 ~~determines that an elementary physical education program is~~
6 ~~not meeting the academic content and performance standards for~~
7 ~~elementary physical education programs, the department shall~~
8 ~~notify the school district that the public school's failure to~~
9 ~~meet the academic content and performance standards will~~
10 ~~result in the cessation of funding for the following school~~
11 ~~year. The department shall compile the program results~~
12 ~~submitted by the school districts each year and make an annual~~
13 ~~report to the legislative education study committee and the~~
14 ~~legislature.~~

15 ~~D. As they become eligible for elementary physical~~
16 ~~education program funding, public schools shall submit to the~~
17 ~~department their elementary physical education program plans~~
18 ~~that meet academic content and performance standards and other~~
19 ~~guidelines of the department. At a minimum, the plan shall~~
20 ~~include the elementary physical education program being taught~~
21 ~~and an evaluation component. To be eligible for state~~
22 ~~financial support, an elementary physical education program~~
23 ~~shall:~~

24 ~~(1) provide for the physical education needs~~
25 ~~of students defined in this section; and~~

.173033.1

underscored material = new
[bracketed material] = delete

1 ~~(2) use teachers with a license endorsement~~
2 ~~for physical education.~~

3 ~~E. The department shall annually determine the~~
4 ~~programs and the consequent number of students in elementary~~
5 ~~physical education that will receive state financial support~~
6 ~~in accordance with funding available in each school year.]"~~

7 Section 24. Section 22-13-6.1 NMSA 1978 (being Laws
8 1994, Chapter 25, Section 2, as amended) is recompiled as
9 Section 22-13-1.8 NMSA 1978 and is amended to read:

10 "22-13-1.8. GIFTED ~~[CHILDREN]~~ STUDENTS--DETERMINATION.--

11 A. The department shall adopt standards pertaining
12 to the determination of who is a gifted ~~[child]~~ student and
13 shall publish those standards as part of the educational
14 standards for New Mexico schools.

15 B. In adopting standards to determine who is a
16 gifted ~~[child]~~ student, the department shall provide for the
17 evaluation of selected ~~[school-age children]~~ students by
18 multidisciplinary teams from each ~~[child's]~~ student's school
19 district. That team shall be vested with the authority to
20 designate a ~~[child]~~ student as gifted. The team shall
21 consider information regarding a ~~[child's]~~ student's cultural
22 and linguistic background and socioeconomic background in the
23 identification, referral and evaluation process. The team
24 also shall consider any disabling condition in the
25 identification, referral and evaluation process.

.173033.1

1 C. Each school district offering a gifted
2 education program shall create one or more advisory committees
3 of parents, community members, students and school staff
4 members. The school district may create as many advisory
5 committees as there are high schools in the district or may
6 create a single districtwide advisory committee. The
7 membership of each advisory committee shall reflect the
8 cultural diversity of the enrollment of the school district or
9 the schools the committee advises. The advisory committee
10 shall regularly review the goals and priorities of the gifted
11 program, including the operational plans for student
12 identification, evaluation, placement and service delivery and
13 shall demonstrate support for the gifted program.

14 D. In determining whether a ~~[child]~~ student is
15 gifted, the multidisciplinary team shall consider diagnostic
16 or other evidence of the ~~[child's]~~ student's:

- 17 (1) creativity or divergent-thinking ability;
18 (2) critical-thinking or problem-solving
19 ability;
20 (3) intelligence; and
21 (4) achievement.

22 E. Nothing in this section shall preclude a school
23 district from offering additional (HEC #12) [gifted] programs
24 for students who fail to meet the eligibility criteria (HEC
25 #13) for gifted students."

underscored material = new
[bracketed material] = delete

1 Section 25. Section 22-13-5 NMSA 1978 (being Laws 1972,
2 Chapter 95, Section 1, as amended) is amended to read:

3 "22-13-5. SPECIAL EDUCATION.--

4 A. School districts shall provide special
5 education and related services appropriate to meet the needs
6 of ~~[all children]~~ students requiring special education and
7 related services. ~~[Regulations]~~ Rules and standards shall be
8 developed and established by the ~~[state board]~~ department for
9 the provision of special education in the schools and classes
10 of the public school system in the state and in all
11 institutions wholly or partly supported by the state. The
12 ~~[state board]~~ department shall monitor and enforce the
13 ~~[regulations]~~ rules and standards.

14 B. Except as otherwise provided in this section,
15 the state institution in which a school-age person is detained
16 or enrolled shall be responsible for providing educational
17 services for the school-age person. A school-age person who
18 is a client as defined in Section 43-1-3 NMSA 1978 in a state
19 institution under the authority of the secretary of health has
20 a right to attend public school in the school district in
21 which the state institution in which the person is a client is
22 located if:

23 (1) the school-age person has been
24 recommended for placement in a public school by the
25 educational appraisal and review committee of the school

.173033.1

underscored material = new
[bracketed material] = delete

1 district in which the institution is located; or

2 (2) the school-age person has been
3 recommended for placement in a public school as a result of
4 the appeal process as provided in the special education rules
5 of the department.

6 C. School districts shall also provide services
7 for three-year-old and four-year-old [~~preschool~~] children with
8 disabilities, unless the parent [~~or guardian~~] chooses not to
9 enroll [~~his~~] the child. If a child receiving services in the
10 department of health's family infant toddler program has [~~his~~]
11 a third birthday during the school year, the child's [~~parents~~]
12 parent shall have the option of having the child complete the
13 school year in the family infant toddler program or enrolling
14 the child in the public school's preschool program. A child
15 with a disability who enrolls in the public school's preschool
16 program and who has [~~his~~] a third birthday during a school
17 year may receive special education and related services from
18 the beginning of that school year.

19 D. Services for students age three through twenty-
20 one may include, but are not limited to, evaluating particular
21 needs, providing learning experiences that develop cognitive
22 and social skills, arranging for or providing related services
23 as defined by the [~~state board~~] department and providing
24 parent education. The services may be provided by [~~certified~~]
25 licensed school [~~personnel~~] employees or contracted for [~~with~~

underscored material = new
[bracketed material] = delete

1 ~~other community agencies]~~ and shall be provided in age-
2 appropriate, integrated settings, including home, daycare
3 centers, head start programs, schools or community-based
4 settings."

5 Section 26. Section 22-13-7 NMSA 1978 (being Laws 1972,
6 Chapter 95, Section 3, as amended) is amended to read:

7 "22-13-7. SPECIAL EDUCATION--RESPONSIBILITY.--

8 A. The ~~[state board]~~ department shall make, adopt
9 and keep current a state plan for special education policy,
10 programs and standards.

11 B. The department ~~[of education with the approval~~
12 ~~of the state board]~~ shall set standards for diagnosis and
13 screening of and educational offerings for ~~[exceptional]~~
14 qualified students and school-age persons receiving special
15 education in public schools; in private, nonsectarian,
16 nonprofit training centers; and in state institutions under
17 the authority of the secretary of health or the secretary of
18 children, youth and families.

19 C. The ~~[state board]~~ department shall establish
20 and maintain a program of evaluation of the implementation
21 and impact of all programs for ~~[exceptional children]~~
22 qualified students receiving special education in the public
23 schools. ~~[This]~~ The evaluation program shall be operated with
24 the cooperation of ~~[local]~~ school districts, and portions of
25 the evaluation program may be subcontracted ~~[and]~~. Periodic

.173033.1

underscored material = new
[bracketed material] = delete

1 reports regarding the efficacy of educational programs for
2 ~~[exceptional children]~~ qualified students receiving special
3 education shall be made to the legislative education study
4 committee.

5 D. The department ~~[of education]~~ shall coordinate
6 programming related to the transition of ~~[persons with~~
7 ~~disabilities]~~ qualified students receiving special education
8 from secondary and post-secondary education programs to
9 employment or vocational placement."

10 Section 27. Section 22-13-8 NMSA 1978 (being Laws 1972,
11 Chapter 95, Section 4, as amended) is amended to read:

12 "22-13-8. SPECIAL EDUCATION--PRIVATE.--

13 A. The responsibility of school districts, state
14 institutions and the state to provide a free public education
15 for ~~[exceptional children]~~ qualified students who need special
16 education is not diminished by the availability of private
17 schools and services. ~~[Whenever such schools or services are~~
18 ~~utilized, it continues to be]~~ It is a state responsibility to
19 ~~[assure]~~ ensure that all ~~[exceptional children]~~ qualified
20 students who need special education receive the education to
21 which ~~[the]~~ federal and state laws ~~[of the state]~~ entitle them
22 whether provided by public or private schools and services.

23 B. A school district in which a private,
24 nonsectarian, nonprofit training center or residential
25 treatment center is located shall not be considered the

.173033.1

1 resident school district of a school-age person in need of
2 special education if residency is based solely on the school-
3 age person's enrollment at the facility and the school-age
4 person would not otherwise be considered a resident of the
5 state.

6 C. For a qualified student or school-age person in
7 need of special education who is placed in a private,
8 nonsectarian, nonprofit training center or residential
9 treatment center by a school district or by a due process
10 decision, the school district in which the qualified student
11 or school-age person lives, whether in-state or out-of-state,
12 is responsible for the educational costs of that placement.

13 D. For a school-age person in need of special
14 education placed in a private, nonsectarian, nonprofit
15 training center or residential treatment center not as a
16 result of a due process decision but by a parent who assumes
17 the responsibility for such placement, the department shall
18 ensure that the school district in which the facility is
19 located is allocating and distributing the school-age person's
20 proportionate share of the federal Individuals with
21 Disabilities Education Act Part B funds, but the state is not
22 required to distribute state funds for that school-age person.

23 E. The department shall determine which school
24 district is responsible for the cost of educating a qualified
25 student in need of special education who has been placed in a

underscored material = new
[bracketed material] = delete

1 private, nonsectarian, nonprofit training center or
2 residential treatment center outside the qualified student's
3 resident school district. The department shall determine the
4 reasonable reimbursement owed to the receiving school
5 district.

6 [B-] F. A local school board, in consultation with
7 the department, may make an agreement with a private,
8 nonsectarian, nonprofit educational training [centers] center
9 or residential treatment center for educating [exceptional
10 children] qualified students for whom the school district is
11 responsible for providing a free appropriate public education
12 under the federal Individuals with Disabilities Education Act
13 and for providing [for] payment for [such] that education.
14 All financial agreements between local school boards and
15 private, nonsectarian, nonprofit educational training centers
16 and residential treatment centers must be negotiated in
17 accordance with [regulations] rules promulgated by the
18 [director] department. Payment for education and services
19 under [such] those agreements shall be made by the local
20 school board [of education] in which the qualified student
21 lives from available funds [available].

22 [G-] G. All agreements between local school boards
23 and private, nonsectarian, nonprofit educational training
24 centers and residential treatment centers must be reviewed and
25 approved by the [state superintendent] secretary. The

.173033.1

underscored material = new
[bracketed material] = delete

1 agreements shall ensure that all qualified students placed in
2 a private, nonsectarian, nonprofit training center or
3 residential treatment center receive the education to which
4 they are entitled pursuant to federal and state laws. All
5 agreements must provide for:

6 (1) diagnosis [and];

7 (2) an educational program for each [child
8 which] qualified student that meets state standards for such
9 programs, except that teachers employed by private schools are
10 not required to be highly qualified;

11 (3) special education and related services
12 in conformance with an individualized education program that
13 meets the requirements of federal and state law; and

14 (4) adequate classroom and other physical
15 space provided at the training center or residential treatment
16 center that allows the school district to provide an
17 appropriate education.

18 H. The agreements must also acknowledge the
19 authority and responsibility of the local school board and the
20 department [~~of education~~] to conduct on-site evaluations of
21 programs and [~~pupil~~] student progress to [~~insure~~] ensure that
22 the education provided to the qualified student is meeting
23 state standards.

24 [~~D. Exceptional children~~] I. A qualified student
25 for whom the state is required by federal law to provide a

.173033.1

underscored material = new
[bracketed material] = delete

1 free appropriate public education and who is attending a
2 private, nonsectarian, nonprofit training center or a
3 residential treatment center is a public school student and
4 shall be counted in the special education (HEC #14)
5 [membership] enrollment of the school district [as enrolled in
6 the Class D special education program] that is responsible for
7 the costs of educating the student (HEC #15) [and in the class
8 level identified as appropriate] as provided in the
9 individualized educational program for the student.

10 J. The department shall adopt the format to report
11 individual student data and costs for any school-age person
12 attending public or private training centers or residential
13 treatment programs and shall include those reports in the
14 student teacher accountability reporting system by using the
15 same student identification number issued to a public school
16 student pursuant to Section 22-2C-11 NMSA 1978 or by assigning
17 a unique student identifier for school-age persons, including
18 those who are not residents of this state but who are
19 attending a private training center or residential treatment
20 program in this state. Every public and private training
21 center and every public and private residential treatment
22 program that serves school-age persons in this state shall
23 comply with this provision.

24 K. The department shall promulgate rules to carry
25 out the provisions of this section."

.173033.1

underscored material = new
[bracketed material] = delete

1 Section 28. Section 22-30-6 NMSA 1978 (being Laws 2007,
2 Chapter 292, Section 6 and Laws 2007, Chapter 293, Section 6)
3 is amended to read:

4 "22-30-6. DISTANCE LEARNING STUDENTS.--

5 A. A student must be enrolled in a public school
6 or a state-supported school and must have the permission of
7 the student's local distance education learning site to enroll
8 in a distance learning course. A distance learning student
9 shall ~~[only]~~ be counted only in the student's primary
10 enrolling district for the purpose of determining the
11 ~~[membership]~~ enrollment used to calculate a school district's
12 state equalization guarantee. A student shall have only one
13 primary enrolling district.

14 B. A home school ~~[student]~~ school-age person may
15 participate in the statewide cyber academy by enrolling for
16 one-half or more of the minimum course requirements approved
17 by the department for public school students in the school
18 district in which the student resides; or, if the student is
19 enrolled for less than one-half of the minimum course
20 requirements, the student may participate in the statewide
21 cyber academy by paying not more than thirty-five percent of
22 the current ~~[unit value per curricular unit]~~ base per-student
23 cost.

24 C. A student enrolled in a nonpublic school may
25 participate in the statewide cyber academy if the school in

.173033.1

1 which the student is enrolled enters into a contract with the
2 school district in which the nonpublic school is located to
3 pay the required tuition.

4 D. A student who is detained in or committed to a
5 juvenile detention facility or a facility for the long-term
6 care and rehabilitation of delinquent children may participate
7 in the statewide cyber academy if the facility in which the
8 student is enrolled enters into a contract with the school
9 district in which the facility is located."

10 Section 29. Section 24-3B-4 NMSA 1978 (being Laws 1978,
11 Chapter 211, Section 4) is amended to read:

12 "24-3B-4. FUND CREATED--USE--CALCULATION.--

13 A. There is created the "department of health [~~and~~
14 ~~environment department~~] education fund" in the state treasury.

15 B. The fund shall be used solely to provide
16 educational services to institution-bound residents of the
17 state institutions under the authority of the secretary.

18 C. The secretary shall distribute the fund to
19 institutions under [~~his~~] the secretary's authority within
20 limits established by law.

21 D. The secretary shall determine the allocation to
22 each institution from the fund according to the annual program
23 cost of that institution as calculated on September 15 of the
24 fiscal year.

25 E. The annual program cost for each institution

.173033.1

underscored material = new
[bracketed material] = delete

1 shall be determined by the following calculation:
2 number of dollar value annual
3 institution-bound x 3.9 x per = program
4 residents [~~program unit~~] cost.
5 sufficient per-
6 student cost

7 F. The dollar value per program unit shall be the
8 same as the dollar value [~~per program unit as~~] of sufficient
9 per-student cost established by the legislature for the state
10 equalization guarantee.

11 G. Each director of each state institution under
12 the authority of the secretary shall submit annually, on or
13 before October 15, to the secretary an estimate for the
14 succeeding fiscal year of the number of institution-bound
15 residents and any other information necessary to calculate
16 annual program cost.

17 H. The secretary shall submit annually, on or
18 before November 15, to the department of finance and
19 administration the recommendations of the department regarding
20 the fund for the succeeding fiscal year, for inclusion in the
21 executive budget document."

22 Section 30. TEMPORARY PROVISION--ENROLLMENT REPORTS--
23 MEM--STATUTORY REFERENCES.--

24 A. References in the Public School Code to the
25 fortieth day membership shall be deemed to be references to

.173033.1

underscored material = new
[bracketed material] = delete

1 the total enrollment on the second Wednesday in October.

2 B. References in the Public School Code to the
3 eightieth day membership shall be deemed to be references to
4 the total enrollment on the second Wednesday in December.

5 C. References in the Public School Code to the one
6 hundred twentieth day membership shall be deemed to be
7 references to the total enrollment on the second Wednesday in
8 February.

9 D. References in the Public School Code to MEM or
10 membership shall be deemed to be references to enrollment.

11 Section 31. TEMPORARY PROVISION--PROJECTIONS AND BUDGET
12 PREPARATION--PRE-2010 FORMULA.--

13 A. Section 22-8-13 NMSA 1978 notwithstanding, the
14 public education department may institute new reporting dates
15 for the 2008-2009 school year as follows:

16 (1) first reporting date, second Wednesday
17 in October;

18 (2) second reporting date, second Wednesday
19 in December; and

20 (3) third reporting date, second Wednesday
21 in February.

22 B. The public education department may require
23 enrollment or other reports at other times specified by the
24 department.

25 (HAFC #9) ~~[C. The effective date of sections in this act~~

.173033.1

underscored material = new
[bracketed material] = delete

1 ~~notwithstanding, the definitions set out in Section 22-8-2~~
2 ~~NMSA 1978 as enacted in this act shall be used to project~~
3 ~~enrollments and prepare budgets for the 2009-2010 school year.~~

4 ~~D. If the legislature does not appropriate a~~
5 ~~sufficient amount to begin using the funding formula as~~
6 ~~provided in Subsection O of Section 22-8-18 NMSA 1978, as that~~
7 ~~section is repealed and re-enacted in this 2008 act, the~~
8 ~~public education department shall use the funding formula in~~
9 ~~place on January 1, 2008 to determine and distribute the state~~
10 ~~equalization guarantee in fiscal year 2010.]~~

11 Section 32. TEMPORARY PROVISION--IMPLEMENTATION
12 COMMITTEE.--

13 A. The "funding formula (HEC #16) accountability
14 and implementation assistance committee" is created to advise
15 and assist school districts and the public education
16 department in the implementation of the funding formula and
17 other provisions of this 2008 act.

18 (HEC #17) B. *The legislature finds that a collaborative*
19 *effort among the public education department, the legislature,*
20 *school districts and interested persons will support and*
21 *enhance the implementation of this 2008 act. The legislature*
22 *finds further that a dialogue between the secretary of public*
23 *education and the other members of the committee will assist*
24 *in identifying and making recommendations regarding issues*
25 *related to full implementation of the provisions of this 2008*

.173033.1

underscored material = new
[bracketed material] = delete

1 act, including the application of federal and other state law;
2 department staffing requirements; and accountability,
3 including the educational plan process, the budget approval
4 process, statewide program requirements and the use of
5 regional resources in implementation.

6 [B.] C. Members of the committee shall be:

7 (1) the voting members of the funding
8 formula study task force and the project advisory panel of the
9 task force;

10 (2) one superintendent of schools from a
11 rural, high-poverty, high English language learner school
12 district, appointed by the speaker of the house of
13 representatives;

14 (3) one superintendent of schools from an
15 urban school district, appointed by the president pro tempore
16 of the senate;

17 (4) the secretary of public education;

18 (5) the chairperson of the legislative
19 education study committee;

20 (6) the chairperson of the Indian education
21 advisory council (HEC #19) ~~[or the chairperson's designee;~~
22 ~~and];~~

23 (7) the president of the New Mexico
24 association of bilingual educators (HEC #20) ~~[or the~~
25 ~~president's designee];~~

.173033.1

1 (8) the chairperson of the New Mexico
2 charter schools coalition;

3 (9) the chairperson of the Individuals with
4 Disabilities Act Part B advisory committee; and

5 (10) a representative of a statewide parent
6 organization appointed by the New Mexico legislative council
7 on the recommendation of the secretary of public education.

8 [~~G.~~] D. The co-chairs of the funding formula study
9 task force shall be the co-chairs of the funding formula
10 (HEC #21) accountability and implementation assistance
11 committee.

12 [~~D.~~] E. Members who are not state employees are
13 entitled to receive per diem and mileage expenses as provided
14 in the Per Diem and Mileage Act.

15 [~~E.~~] F. Staff for the committee shall be provided
16 by the legislative council service, the legislative education
17 study committee, the legislative finance committee, the public
18 education department and the office of education
19 accountability. The legislative council service or other
20 staff may contract for expert and technical assistance for the
21 committee as needed.

22 F. The committee shall:

23 (1) develop a work plan and budget for
24 approval by the New Mexico legislative council;

25 (2) advise, assist and monitor the progress

.173033.1

1 of school districts and the public education department in the
2 planning phase of this 2008 act;

3 (3) meet with and provide assistance to the
4 public education department's staff or other planning and
5 implementation groups established by the secretary of public
6 education;

7 (4) provide regular reports to the
8 legislative education study committee, the legislative finance
9 committee and the governor, which reports may be in person or
10 written as requested; and

11 (5) report its findings and recommendations,
12 including recommendations for statutory changes, to the
13 legislature and the governor by January 15, 2009.

14 Section 33. REPEAL.--Sections 22-8-3, 22-8-7.1,
15 22-8-19, 22-8-20 through 22-8-23.8, 22-8-25.1 and
16 22-13-6 NMSA 1978 (being Laws 1988, Chapter 64, Section 14;
17 Laws 1993, Chapter 224, Section 1; Laws 1974, Chapter 8,
18 Section 9; Laws 1991, Chapter 85, Section 3; Laws 1969,
19 Chapter 180, Section 17; Laws 1974, Chapter 8, Section 13;
20 Laws 1975, Chapter 119, Section 1; Laws 1990 (1st S.S.),
21 Chapter 3, Sections 7 and 8; Laws 1993, Chapter 237, Section
22 2; Laws 1997, Chapter 40, Section 7; Laws 2003, Chapter 144,
23 Section 2 and Laws 2003 Chapter 152, Section 9; Laws 2003,
24 Chapter 144, Section 3 and Laws 2003, Chapter 152, Section 8;
25 Laws 2006, Chapter 94, Section 15; Laws 2007, Chapter 348,

.173033.1

underscored material = new
[bracketed material] = delete

1 Section 1; Laws 2007, Chapter 365, Section 2; Laws 1985 (1st
2 S.S.), Chapter 15, Section 17; and Laws 1972, Chapter 95,
3 Section 2, as amended) are repealed.

4 Section 34. EFFECTIVE DATE.--

5 A. The effective date of the provisions of
6 Sections 2, 4, 5, 8, 9, 10, 11, 12, 13, (HEC #22) ~~[and]~~ 22 and
7 28 of this act is July 1, 2008.

8 B. The effective date of the provisions of
9 Sections 3, 6, 7, 14, 16, 17, 18, 19, 20, 23, 24, (HEC #23)
10 ~~[28]~~ 29, 30 and 33 of this act is (HAFC #10) ~~[July 1, 2009]~~
11 *the beginning of the fiscal year for which the legislature has*
12 *provided in the general appropriation act or similar*
13 *legislation for the implementation of the funding formula*
14 *provided for in Section 17 of this 2008 act.*

15 C. The effective date of the provisions of
16 Sections 1, 15, 21, 25, 26, 27, 31, 32 and 34 of this act is
17 May 14, 2008.

**DATA SOURCES USED BY THE AMERICAN INSTITUTES FOR RESEARCH (AIR)
DISTRICT AND CHARTER SCHOOL 2007-2008 CALCULATORS**

Data Element	Calculator Data Based on School Year	Source	Description for Future Calculations
<i>User Input Cost Factors</i>			
• Percent Free/Reduced Lunch	2006-2007	PED Student Nutrition Bureau ("Schedule A")	Prior year percent (based on student eligibility and not Provision 2 status)
• Percent English Learners	2006-2007	STARS	Prior year 80/120 day average percent
• Percent Special Education	2006-2007	STARS	Prior year 80/120 day average percent
• Percent Mobility	2006-2007	STARS	Prior year mobility rate
• Enrollment Share in Grades 6-8	2006-2007	STARS	Calculated using prior year 80/120 day average enrollment
• Enrollment Share in Grades 9-12	2006-2007	STARS	Calculated using prior year 80/120 day average enrollment
• Total District Enrollment	2006-2007	STARS	Prior year 80/120 average enrollment for a district with stable or declining enrollment <i>or</i> the greater of the current year 40-day enrollment or the prior year 80/120 day average enrollment for a district experiencing growth

Data Element	Calculator Data Based on School Year	Source	Description for Future Calculations
<i>Base Per-Pupil Cost</i>			
<ul style="list-style-type: none"> \$5,106 – school district \$6,907 – charter school 	2007-2008	Determined by AIR and based on the “sufficient instructional program” designed by the Professional Judgment Panels (PJPs) and the Project Advisory Panel (PAP); based on the average-sized district (3,532 students) or the average-sized charter school (160 students)	Annually adjusted by PED to reflect the legislative appropriation
<i>Index of Staff Qualifications (ISQ) Formula Adjustment</i>			
<ul style="list-style-type: none"> Raw ISQ (not shown in table) 	2006 October payroll	Extrapolated by AIR from data provided by PED	Calculated by district/charter school using the number of full-time equivalent instructional staff on the October payroll of the prior year (same as for the current T&E Index)
<ul style="list-style-type: none"> Adjusted ISQ (shown in table) 		Adjusted ISQ = (Raw ISQ × Percent of salary and benefit expenditures for instructional personnel) + (1 – Percent of salary and benefit expenditures for instructional personnel)	Defaults to 1.000 if less than 1.000 (According to AIR, the value of 1.000 in the new ISQ corresponds to the average compensation levels used in the school prototypes developed by the PJPs and the PAP to develop the sufficiency cost estimates.)
<i>Comparison Information</i>			
<ul style="list-style-type: none"> Actual Program Cost 	2007-2008	PED-approved initial operating budget	
<ul style="list-style-type: none"> Emergency Supplemental 	2007-2008	PED-approved initial operating budget	

**DATA SOURCES USED BY THE AMERICAN INSTITUTES FOR RESEARCH (AIR)
DISTRICT AND CHARTER SCHOOL 2007-2008 CALCULATORS**

Data Element	Calculator Data Based on School Year	Source	Description for Future Calculations
<i>User Input Cost Factors</i>			
• Percent Free/Reduced Lunch	2006-2007	PED Student Nutrition Bureau ("Schedule A")	Prior year percent (based on student eligibility and not Provision 2 status)
• Percent English Learners	2006-2007	STARS	Prior year 80/120 day average percent
• Percent Special Education	2006-2007	STARS	Prior year 80/120 day average percent (NOTE: The 16.0 percent census rate used for districts is the 2006-2007 statewide average identification rate of students who are required by the federal <i>Individuals with Disabilities Education Improvement Act of 2004</i> to have an individualized education program.)
• Percent Mobility	2006-2007	STARS	Prior year mobility rate
• Enrollment Share in Grades 6-8	2006-2007	STARS	Calculated using prior year 80/120 day average enrollment
• Enrollment Share in Grades 9-12	2006-2007	STARS	Calculated using prior year 80/120 day average enrollment

Data Element	Calculator Data Based on School Year	Source	Description for Future Calculations
<ul style="list-style-type: none"> Total District Enrollment 	2006-2007	STARS	<p>Prior year 80/120 average enrollment for a district with stable or declining enrollment</p> <p><i>or</i></p> <p>the greater of the current year 40-day enrollment or the prior year 80/120 day average enrollment for a district experiencing growth</p>
<i>Base Per-Pupil Cost</i>			
<ul style="list-style-type: none"> \$5,106 – school district \$6,907 – charter school 	2007-2008	Determined by AIR and based on the “sufficient instructional program” designed by the Professional Judgment Panels (PJPs) and the Project Advisory Panel (PAP); based on the average-sized district (3,532 students) or the average-sized charter school (160 students)	Annually adjusted by PED to reflect the legislative appropriation
<i>Index of Staff Qualifications (ISQ) Formula Adjustment</i>			
<ul style="list-style-type: none"> Raw ISQ (not shown in table) 	2006 October payroll	Extrapolated by AIR from data provided by PED	Calculated by district/charter school using the number of full-time equivalent instructional staff on the October payroll of the prior year (same as for the current T&E Index)
<ul style="list-style-type: none"> Adjusted ISQ (shown in table) 		Adjusted ISQ = (Raw ISQ × Percent of salary and benefit expenditures for instructional personnel) + (1 – Percent of salary and benefit expenditures for instructional personnel)	Defaults to 1.000 if less than 1.000 (According to AIR, the value of 1.000 in the new ISQ corresponds to the average compensation levels used in the school prototypes developed by the PJPs and the PAP to develop the sufficiency cost estimates.)
<i>Comparison Information</i>			
<ul style="list-style-type: none"> Actual Program Cost 	2007-2008	PED-approved initial operating budget	
<ul style="list-style-type: none"> Emergency Supplemental 	2007-2008	PED-approved initial operating budget	

STUDENTS IN SPECIAL EDUCATION PROGRAMS AS A PERCENT OF TOTAL ENROLLMENT
STUDENTS IN PROGRAMS FOR THE GIFTED AS A PERCENT OF TOTAL ENROLLMENT
BASED ON THE 2007-2008 120-DAY STARS REPORT (does not include charter schools)

District	Total Enrollment	Special Education Service Level*				Total Special Education Excluding Gifted	Percent Special Education	Greater Than 16%	Gifted Service Level*				Total Gifted	Percent Gifted
		A	B	C	D				A	B	C	D		
1 ALAMOGORDO	6,344	324	262	202	268	1,056	16.6%	Yes	173	134	0	0	307	4.8%
2 ALBUQUERQUE	87,627	1,042	3,293	2,000	5,423	11,758	13.4%		813	3,443	188	19	4,463	5.1%
3 ANIMAS	274	7	15	7	14	43	15.7%		9	1	0	0	10	3.6%
4 ARTESIA	3,497	174	158	132	139	603	17.2%	Yes	78	30	0	0	108	3.1%
5 AZTEC	3,030	106	160	187	146	599	19.8%	Yes	57	23	0	0	80	2.6%
6 BELEN	4,712	228	252	208	241	929	19.7%	Yes	68	6	0	0	74	1.6%
7 BERNALILLO	3,176	40	138	173	206	557	17.5%	Yes	6	58	0	0	64	2.0%
8 BLOOMFIELD	3,115	137	186	127	132	582	18.7%	Yes	143	51	0	0	194	6.2%
9 CAPITAN	540	10	29	3	6	48	8.9%		1	0	0	0	1	0.2%
10 CARLSBAD	5,898	253	270	237	207	967	16.4%	Yes	376	2	0	0	378	6.4%
11 CARRIZOZO	204	5	14	1	3	23	11.3%		2	0	0	0	2	1.0%
12 CENTRAL CONS.	6,859	170	349	293	317	1,129	16.5%	Yes	304	56	0	0	360	5.2%
13 CHAMA	434	38	15	6	16	75	17.3%	Yes	8	1	0	0	9	2.1%
14 CIMARRON	455	24	26	3	12	65	14.3%		4	1	0	0	5	1.1%
15 CLAYTON	552	26	36	7	18	87	15.8%		3	0	0	0	3	0.5%
16 CLOUDCROFT	461	18	28	7	9	62	13.4%		25	7	0	0	32	6.9%
17 CLOVIS	8,056	303	390	179	226	1,098	13.6%		363	0	0	0	363	4.5%
18 COBRE CONS.	1,415	56	90	60	60	266	18.8%	Yes	10	2	0	0	12	0.8%
19 CORONA	82	4	4	0	1	9	11.0%		3	0	0	0	3	3.7%
20 CUBA	701	25	36	21	29	111	15.8%		4	0	0	0	4	0.6%
21 DEMING	5,302	133	167	122	171	593	11.2%		100	12	0	0	112	2.1%
22 DES MOINES	93	2	3	1	1	7	7.5%		1	0	0	0	1	1.1%
23 DEXTER	1,087	83	55	14	27	179	16.5%	Yes	9	45	0	0	54	5.0%
24 DORA	242	13	18	1	18	50	20.7%	Yes	5	0	0	0	5	2.1%
25 DULCE	733	4	36	37	19	96	13.1%		1	0	0	0	1	0.1%
26 ELIDA	117	15	2	0	4	21	17.9%	Yes	2	0	0	0	2	1.7%
27 ESPANOLA	4,230	166	133	88	103	490	11.6%		29	0	0	0	29	0.7%
28 ESTANCIA	1,031	55	46	19	15	135	13.1%		19	9	0	0	28	2.7%
29 EUNICE	557	20	42	10	8	80	14.4%		7	0	0	0	7	1.3%
30 FARMINGTON	10,141	234	475	251	310	1,270	12.5%		85	439	0	0	524	5.2%
31 FLOYD	249	21	13	5	10	49	19.7%	Yes	4	0	0	0	4	1.6%
32 FT SUMNER	325	34	9	6	19	68	20.9%	Yes	21	0	0	0	21	6.5%
33 GADSDEN	13,859	430	507	538	377	1,852	13.4%		188	34	0	0	222	1.6%
34 GALLUP	12,528	286	398	301	420	1,405	11.2%		99	233	1	0	333	2.7%
35 GRADY	133	7	7	0	9	23	17.3%	Yes	0	0	0	0	0	0.0%
36 GRANTS	3,619	120	143	96	166	525	14.5%		41	12	0	0	53	1.5%
37 HAGERMAN	447	20	37	10	15	82	18.3%	Yes	10	0	0	0	10	2.2%
38 HATCH	1,388	63	51	16	30	160	11.5%		5	0	0	0	5	0.4%
39 HOBBS	7,827	258	257	117	261	893	11.4%		219	0	0	0	219	2.8%
40 HONDO	127	4	6	1	1	12	9.4%		3	1	0	0	4	3.1%
41 HOUSE	113	6	4	1	5	16	14.2%		0	0	0	0	0	0.0%
42 JAL	432	27	9	9	27	72	16.7%	Yes	6	0	0	0	6	1.4%
43 JEMEZ MOUNTAIN	343	13	2	13	8	36	10.5%		2	0	0	0	2	0.6%
44 JEMEZ VALLEY	325	8	22	12	9	51	15.7%		7	0	0	0	7	2.2%
45 LAKE ARTHUR	158	10	9	2	9	30	19.0%	Yes	1	0	0	0	1	0.6%
46 LAS CRUCES	23,595	689	968	768	1,198	3,623	15.4%		1,681	34	0	0	1,715	7.3%
47 LAS VEGAS CITY	2,035	90	129	75	54	348	17.1%	Yes	61	58	0	0	119	5.8%
48 LOGAN	226	14	10	2	10	36	15.9%		0	0	0	0	0	0.0%
49 LORDSBURG	686	33	30	19	47	129	18.8%	Yes	8	3	0	0	11	1.6%

STUDENTS IN SPECIAL EDUCATION PROGRAMS AS A PERCENT OF TOTAL ENROLLMENT
STUDENTS IN PROGRAMS FOR THE GIFTED AS A PERCENT OF TOTAL ENROLLMENT
BASED ON THE 2007-2008 120-DAY STARS REPORT (does not include charter schools)

District	Total Enrollment	Special Education Service Level*				Total Special Education Excluding Gifted	Percent Special Education	Greater Than 16%	Gifted Service Level*				Total Gifted	Percent Gifted
		A	B	C	D				A	B	C	D		
50 LOS ALAMOS	3,466	155	190	83	195	623	18.0%	Yes	441	20	0	0	461	13.3%
51 LOS LUNAS	8,528	455	293	269	287	1,304	15.3%		148	57	58	0	263	3.1%
52 LOVING	564	24	22	7	15	68	12.1%		6	0	0	0	6	1.1%
53 LOVINGTON	3,168	141	100	69	229	539	17.0%	Yes	45	125	0	0	170	5.4%
54 MAGDALENA	447	16	29	17	25	87	19.5%	Yes	6	3	0	0	9	2.0%
55 MAXWELL	99	11	8	0	5	24	24.2%	Yes	0	0	0	0	0	0.0%
56 MELROSE	219	19	9	1	22	51	23.3%	Yes	11	3	0	0	14	6.4%
57 MESA VISTA	424	18	26	8	12	64	15.1%		6	0	0	0	6	1.4%
58 MORA	573	31	29	12	11	83	14.5%		7	7	0	0	14	2.4%
59 MORIARTY	3,589	100	169	126	66	461	12.8%		100	108	0	0	208	5.8%
60 MOSQUERO	38	4	4	0	0	8	21.1%	Yes	0	0	0	0	0	0.0%
61 MOUNTAINAIR	329	14	21	11	14	60	18.2%	Yes	4	0	0	0	4	1.2%
62 PECOS	720	51	88	9	25	173	24.0%	Yes	18	0	0	0	18	2.5%
63 PENASCO	541	22	15	19	24	80	14.8%		7	2	0	0	9	1.7%
64 POJOAQUE	1,994	31	180	88	46	345	17.3%	Yes	9	36	0	0	45	2.3%
65 PORTALES	2,811	147	95	98	114	454	16.2%	Yes	41	16	0	0	57	2.0%
66 QUEMADO	173	3	6	2	1	12	6.9%		1	0	0	0	1	0.6%
67 QUESTA	427	22	15	24	10	71	16.6%	Yes	1	0	0	0	1	0.2%
68 RATON	1,353	74	72	40	50	236	17.4%	Yes	0	18	0	0	18	1.3%
69 RESERVE	185	4	12	10	16	42	22.7%	Yes	4	0	0	0	4	2.2%
70 RIO RANCHO	15,585	381	212	549	828	1,970	12.6%		253	368	0	0	621	4.0%
71 ROSWELL	9,378	331	601	182	436	1,550	16.5%	Yes	121	504	0	20	645	6.9%
72 ROY	85	11	0	0	0	11	12.9%		1	0	0	0	1	1.2%
73 RUIDOSO	2,239	62	129	66	55	312	13.9%		78	0	0	0	78	3.5%
74 SAN JON	152	14	6	0	6	26	17.1%	Yes	2	0	0	0	2	1.3%
75 SANTA FE	12,268	354	632	413	357	1,756	14.3%		95	276	0	0	371	3.0%
76 SANTA ROSA	634	2	15	34	22	73	11.5%		5	0	0	0	5	0.8%
77 SILVER CITY	3,106	96	146	107	54	403	13.0%		32	33	0	0	65	2.1%
78 SOCORRO	1,767	93	95	46	62	296	16.8%	Yes	30	34	0	0	64	3.6%
79 SPRINGER	196	13	17	1	0	31	15.8%		0	0	0	0	0	0.0%
80 TAOS	2,756	108	90	78	185	461	16.7%	Yes	71	70	0	0	141	5.1%
81 TATUM	319	6	18	2	21	47	14.7%		2	0	0	0	2	0.6%
82 TEXICO	524	27	16	5	14	62	11.8%		7	0	0	0	7	1.3%
83 TRUTH OR CONS.	1,452	48	94	66	65	273	18.8%	Yes	69	2	0	0	71	4.9%
84 TUCUMCARI	1,065	54	24	25	88	191	17.9%	Yes	10	19	0	0	29	2.7%
85 TULAROSA	977	25	45	15	18	103	10.5%		11	6	0	0	17	1.7%
86 VAUGHN	98	6	9	2	3	20	20.4%	Yes	1	0	0	0	1	1.0%
87 WAGON MOUND	160	10	3	0	79	92	57.5%	Yes	1	0	0	0	1	0.6%
88 WEST LAS VEGAS	1,691	65	56	56	39	216	12.8%		21	0	0	0	21	1.2%
89 ZUNI	1,499	62	81	39	34	216	14.4%		3	0	0	0	3	0.2%
90 STATEWIDE	314,979	8,958	13,011	8,966	14,357	45,292	14.4%	41	6,732	6,402	247	39	13,420	4.3%

*Service Levels:

Level A = Less than 10% of the day

Level B = 11% to 49% of the day

Level C = 50% of the day or more but not a full day

Level D = Up to a full day or program 3Y/4Y/5Y (DD)

State of New Mexico
LEGISLATIVE EDUCATION STUDY COMMITTEE

REPRESENTATIVES

Rick Miera, Chair
Roberto "Bobby" J. Gonzales
Jimmie C. Hall
Mimi Stewart
Thomas E. Swisstack
W. C. "Dub" Williams

State Capitol North, 325 Don Gaspar, Suite 200
Santa Fe, New Mexico 87501
PH: (505) 986-4591 FAX: (505) 986-4338
<http://legis.state.nm.us/lcs/lesc/lescdefault.asp>

SENATORS

Cynthia Nava, Vice Chair
Vernon D. Asbill
Mary Jane M. Garcia
Gay G. Kernan

ADVISORY

Andrew J. Barreras
Ray Begaye
Nathan P. Cote
Nora Espinoza
Mary Helen Garcia
Thomas A. Garcia
Dianne Miller Hamilton
John A. Heaton
Sheryl M. Williams Stapleton
Jim R. Trujillo
Teresa A. Zanetti



ADVISORY

Mark Boitano
Carlos R. Cisneros
Dianna J. Duran
Lynda M. Lovejoy
Howie C. Morales
John Pinto
William E. Sharer

D. Pauline Rindone, Ph.D., Director
Frances R. Maestas, Deputy Director

June 19, 2008

MEMORANDUM

TO: Public School District Superintendents

FR: D. Pauline Rindone *dp*

RE: PROPOSED FUNDING FORMULA DISCUSSIONS

In April, you received a memorandum from the Legislative Education Study Committee (LESC) inviting you to work with the committee to examine the potential impact of the new public school funding formula that was proposed during the 2008 legislative session. Attachment 1 is a table indicating the meeting at which your district is scheduled to discuss the proposed funding formula with the committee - a meeting agenda with the exact time and date for your presentation will be sent to you prior to that meeting.

At the LESC meeting for which you have been scheduled, LESC staff will present your district's calculator and you will discuss with the committee how the proposed funding formula would affect your school district's operations and its ability to accommodate the needs of your students, as well as other issues related to the proposed funding formula. Hard copies of the calculators for the districts in your group will be available for reference and discussion.

In order to facilitate the discussions, LESC staff, with the assistance of the Public Education Department (PED), have prepared the following questions, which will also be provided to the committee. The questions are a guide to assist you in preparing for your discussions with the committee. We understand that you may or may not be able to have complete answers to some of these questions prior to the meeting; however, it is important that we receive written responses to these questions from each of you. If you are not able to respond immediately, please send a copy of your responses to me as soon as you are able to gather the information, and please include the name of your district with the responses.

Programs and Services:

1. How will the implementation of the proposed funding formula affect your district's program cost?
2. How will the implementation of the proposed funding formula impact the educational programs and student services provided by your district?
 - a) Educational Programs:
 - b) Student Services:
3. Will your district use the additional funding resulting from the implementation of the proposed funding formula to reduce class size? If so, what grades, and how many classrooms would be affected?
4. What other changes might your district consider as a result of additional funding?
5. How will your district ensure that it provides all of the following educational programs and services as required in the funding formula bill, as amended, during the session?
 - bilingual and multicultural education, including culturally relevant learning environments, educational opportunities, and culturally relevant instructional materials;
 - health and wellness, including physical education, athletics, nutrition, and health education;
 - career-technical education;
 - visual and performing arts and music;
 - gifted education, advanced placement, and honors programs;
 - special education; and
 - distance education.

6. To the best of your ability at this time, please fill in the table below to identify the additional state-funded FTE that your district would be able to provide as a result of the implementation of the proposed funding formula:

Personnel	Elementary	Middle	High	Current FTE	Proposed FTE
Teachers					
Principals					
Counselors					
Nurses					
Physical Education Teachers					
Art and Music Teachers					
Social Workers					
Librarians					
Advanced Placement Teachers					
Gifted Education					
Intervention Specialists					
Bilingual Education					
Educational Assistants					
Special Education Teachers (excluding gifted)					
Ancillary and Support Staff					
Maintenance and Operations Staff (including custodians)					
Data Entry Clerks					
Other Central Office Staff					
Other School-based Staff					

Accountability:

The legislation introduced during the 2008 session to change the public school funding formula utilizes the Educational Plan for Student Success (EPSS) as the means of ensuring accountability with regard to districts providing a sufficient educational program for all students that includes not only the basic required academic programs, such as reading, writing, and math, but also programs such as bilingual-multicultural education, physical education, arts and music, and gifted programs. In short, PED is required to disapprove any budget for a district or charter school that cannot show in its EPSS that it is offering all required programs.

7. Do you believe that the EPSS is the appropriate mechanism to tie together budget approval and program delivery? If not, what means would you suggest be used as an alternative to ensure accountability?

Staff Salaries:

The proposed funding formula would replace the current Training and Experience (T&E) Index with the Index of Staff Qualifications (ISQ). Although both indexes are designed to distribute additional funding to districts and charter schools based on the composition of their instructional staff, they are not identical:

- The T&E calculation is based on years of service and academic degrees for all instructional staff but does not reflect the three-tiered licensure system for teachers.
 - The ISQ calculation recognizes not only experience and academic degrees but also licensure levels. It was calibrated on the average teacher salaries for each of the three levels and distributes additional dollars based on the proportion of teachers in each of those levels. In addition, there is a second calculation for those instructional staff, such as counselors, who are not included in the three-tiered system. Because the base per-student cost upon which the proposed formula is based already reflects the average salary by personnel category in the average district, the ISQ is applied only to salary costs in a district or charter school that are beyond the average.
8. If you have calculated your district's ISQ using the most recent matrices in the bill (see Attachment 2), how would this factor impact funding for your district?

Special Education:

9. Currently, how many students in your district have been identified as in need of special education, and what percentage of your district's enrollment does this number represent? **(Do not include gifted students.)**

Number: _____

Percentage: _____%

10. How will the proposed funding formula's use of a fixed special education identification rate of 16 percent impact special education funding for your district?

Gifted Education:

11. Currently, how many students in your district have been identified as gifted, and what percentage of your district's enrollment does this number represent?

Number: _____

Percentage: _____%

12. Even though the bill as amended during the session does not require districts to consider students that have been identified as gifted to be in need of special education, it does require that these students be served. How will your district specifically address the needs of students identified as gifted?

Revenue Sources for Implementation:

13. What revenue sources for the additional dollars needed to reach sufficiency would your district support?

Potential Problems:

14. What problems, if any, does your district anticipate will arise from the implementation of the proposed funding formula?

15. What problems, if any, does your district anticipate will arise if the proposed funding formula is not implemented?

16. Please feel free to identify any other issues that have not been addressed in these questions that you feel the committee should be aware of.

xc: . Legislative Education Study Committee

PROPOSED PUBLIC SCHOOL FUNDING FORMULA: SCHOOL DISTRICTS AND CHARTER SCHOOLS

<i>Location: Roswell</i> May 12-14		<i>Location: Albuquerque</i> June 9-11		<i>Location: Kirtland</i> August 6		<i>Location: Chama</i> September 8-10		<i>Location: Deming</i> October 8-10		<i>Location: Santa Fe</i> November 19-21	
District	MEM	District	MEM	District	MEM	District	MEM	District	MEM	District	MEM
Group 1		Group 1		Group 1		Group 1		Group 1		Group 1	
Artesia	3,548.5	Albuquerque	88,271.5	Central Consolidated	6,614.5	Española	4,309.0	Alamogordo	6,321.0	Albuquerque	88,271.5
Clovis	8,035.0	Los Lunas	8,561.0	Farmington	10,189.5	Taos	2,795.0	Carlsbad	5,905.5	Los Alamos	3,444.0
Hobbs	7,809.5	Rio Rancho	15,577.0	Gallup-McKinley	12,159.0	West Las Vegas	1,703.5	Deming	5,418.0	Pojoaque	2,019.5
Lovington	3,084.0							Gadsden	13,955.5	Raton	1,360.5
Portales	2,773.0							Las Cruces	23,559.5	Ruidoso	2,273.5
Roswell	9,373.5									Santa Fe	12,266.0
										Tucumcari	1,045.0
Group 2		Group 2		Group 2		Group 2		Group 2		Group 2	
Capitan	536.5	Belen	4,749.5	Aztec	3,064.5	Chama	454.0	Cobre	1,396.5	Cimarron	450.0
Cloudcroft	461.0	Bernalillo	3,176.0	Bloomfield	3,096.5	Cuba	695.0	Hatch Valley	1,428.0	Clayton	539.5
Dexter	1,097.0	Estancia	1,005.0	Grants-Cibola	3,698.0	Mesa Vista	437.0	Las Vegas City	2,085.5	Jemez Mountain	343.0
Eunice	570.5	Moriarty	3,590.5	Zuni	1,505.0	Questa	434.5	Silver Consolidated	3,091.5	Logan	231.0
Hagerman	448.0	Socorro	1,722.5					Truth or Consequences	1,392.0	Mora	567.5
Jal	405.0									Pecos	714.0
Loving	570.5									Peñasco	547.5
Texico	526.0									Santa Rosa	654.0
Group 3		Group 3		Group 3				Group 3		Group 3	
Carrizozo	215.5	Corona	84.5	Dulce	691.0			Animas	257.0	Des Moines	94.0
Dora	225.5	Jemez Valley	326.5					Lordsburg	680.0	Maxwell	102.0
Elida	120.5	Magdalena	428.5					Reserve	185.0	Mosquero	38.0
Floyd	243.5	Mountainair	339.0					Tularosa	959.0	Roy	79.0
Fort Sumner	304.5	Quemado	186.0							San Jon	149.5
Grady	121.5									Springer	195.0
Hondo Valley	121.5	Group 4								Vaughn	103.5
House	107.0	Aldo Leopold, Silver City								Wagon Mound	148.5
Lake Arthur	148.0	Creative Ed. Prep. Inst. 1, Albuquerque									
Melrose	208.5	Deming Cesar Chavez, Deming									
Tatum	292.5	Digital Arts & Tech. Acad., Albuquerque									
		El Camino Real, Albuquerque									
		Middle College High School, Gallup									
		Mosaic Academy, Aztec									
		Nuestros Valores, Albuquerque									
		Rio Gallinas School, West Las Vegas									
		Sidney Gutierrez Middle School, Roswell									
		SW Secondary Learning, Albuquerque									
		Taos Charter School, Taos									
		Turquoise Trail, Santa Fe									
		Walatowa, Jemez Pueblo									

NOTE: The district groupings are based on 2007-2008 40-day membership.

**PROPOSED FUNDING FORMULA PROGRAM COST COMPARED TO
2007-2008 OPERATING BUDGET PROGRAM COST PLUS BUDGETED EMERGENCY SUPPLEMENTAL
Santa Fe, NM: Group 3**

	DES MOINES	MAXWELL	MOSQUERO	ROY	SAN JON	SPRINGER	VAUGHN	WAGON MOUND	
1 Cost Factor Values									1
2 •Percent Free/Reduced Lunch	55.6%	70.4%	43.6%	68.6%	65.3%	78.6%	79.2%	47.9%	2
3 •Percent English Learners	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	46.1%	34.4%	3
4 •Percent Special Education (Census-based)	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	4
5 •Percent Mobility	16.9%	28.8%	7.1%	5.6%	20.9%	11.9%	29.4%	33.8%	5
6 •Enrollment Share in Grades 6-8	27.0%	25.6%	20.7%	28.4%	19.6%	26.0%	22.3%	15.8%	6
7 •Enrollment Share in Grades 9-12	36.1%	34.1%	40.2%	52.2%	47.5%	28.9%	23.4%	65.3%	7
8 •Total District Enrollment	126.0	105.5	41.0	67.0	150.5	206.0	98.5	158.5	8
9									9
10 Individual Formula Adjustments									10
11 <u>Student Needs</u>									11
12 •Free/Reduced Lunch	1.181	1.221	1.145	1.216	1.207	1.244	1.245	1.158	12
13 •English Learners	1.000	1.000	1.000	1.000	1.000	1.000	1.036	1.028	13
14 •Special Education	1.291	1.291	1.291	1.291	1.291	1.291	1.291	1.291	14
15 •Mobility	1.030	1.049	1.013	1.010	1.037	1.022	1.050	1.057	15
16 <u>Grade Composition</u>									16
17 •Grades 6-8	1.008	1.005	0.994	1.011	0.991	1.006	0.997	0.982	17
18 •Grades 9-12	1.016	1.007	1.035	1.088	1.067	0.983	0.957	1.144	18
19 <u>Scale (Enrollment)</u>									19
20 •Scale	1.960	2.068	2.838	2.393	1.861	1.705	2.113	1.834	20
21									21
22 Combined Adjustments									22
23 •Student Needs (all factors multiplied by each other)	1.570	1.655	1.499	1.587	1.617	1.641	1.749	1.625	23
24 •Grade Composition (all factors multiplied by each other)	1.025	1.012	1.028	1.100	1.058	0.989	0.955	1.123	24
25 •Scale	1.960	2.068	2.838	2.393	1.861	1.705	2.113	1.834	25
26 Overall Adjustment (Combined Student Needs x Grade Composition x Scale)	3.155	3.466	4.374	4.179	3.181	2.768	3.529	3.346	26
27									27
28 Base Per-Pupil Cost	\$5,106	\$5,106	\$5,106	\$5,106	\$5,106	\$5,106	\$5,106	\$5,106	28
29 x Overall Adjustment	3.155	3.466	4.374	4.179	3.181	2.768	3.529	3.346	29
30 Initial Sufficient Per-Pupil Cost	\$16,108	\$17,697	\$22,334	\$21,337	\$16,244	\$14,131	\$18,018	\$17,084	30
31									31
32 x ISQ Formula Adjustment	1.000	1.027	1.000	1.000	1.063	1.000	1.000	1.000	32
33 Final Projected Sufficient Per-Pupil Cost	\$16,108	\$18,167	\$22,334	\$21,337	\$17,267	\$14,131	\$18,018	\$17,084	33
34									34
35 x Total District Enrollment	126.0	105.5	41.0	67.0	150.5	206.0	98.5	158.5	35
36 Final Projected Sufficient Total (Program) Cost	\$2,029,584	\$1,916,602	\$915,685	\$1,429,607	\$2,598,670	\$2,910,902	\$1,774,781	\$2,707,779	36
37									37
38 Actual Program Cost (2007-2008 Operating Budget)	\$1,312,802	\$1,201,318	\$549,716	\$827,488	\$1,654,870	\$2,193,426	\$1,296,695	\$2,005,002	38
39 + Emergency Supplemental	\$0	\$645,789	\$450,554	\$486,145	\$86,734	\$403,548	\$266,902	\$685,567	39
40 2007-2008 Total Program Cost & Emergency Supplemental	\$1,312,802	\$1,847,107	\$1,000,271	\$1,313,633	\$1,741,603	\$2,596,974	\$1,563,596	\$2,690,569	40
41									41
42 Total Marginal Sufficiency Cost = Final Projected Sufficient Total (Program) Cost on line 36 - 2007-2008 Total on line 40	\$716,782	\$69,495	(\$84,585)	\$115,975	\$857,066	\$313,928	\$211,185	\$17,211	42
43									43
44 Percent Increase/(Decrease)	54.6%	3.8%	-8.5%	8.8%	49.2%	12.1%	13.5%	0.6%	44

DISTRICT CALCULATOR 2007-08
1 - Choose District (Use Pull-Down Menu Below)
DES MOINES
User Input Cost Factors

	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Total District Enrollment
User Input Cost Factor Values	55.6%	0.0%	16.0%	16.9%	27.0%	36.1%	126

Cost Factors

	Student Needs				Grade Composition		Scale	
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Enrollment-Linear	Enrollment-Quadratic
Coefficients	0.375	0.094	1.723	0.190	0.291	0.608	-0.575	0.029
Transformed Demographic Values	1.556	1.000	1.160	1.169	1.270	1.361	126	1.44.E+10
Individual Formula Adjustments	1.181	1.000	1.291	1.030	1.008	1.016	1.960	
Combined Student Needs Adjustment	1.570							
Combined Grade Composition Adjustment					1.025			
Combined Scale Adjustment							1.960	
Overall Adjustment (Combined Student Needs/ Grade Composition/Scale)					3.155			
Base Per-Pupil Cost					\$5,106			
Initial Sufficient Per-Pupil Cost					\$16,108			
ISQ Formula Adjustment					1.000			
Final Projected Sufficient Per-Pupil Cost					\$16,108			
Final Projected Sufficient Total Cost					\$2,029,584			
Actual Program Cost					\$1,312,802			
Emergency Supplemental					\$0			
Total Marginal Sufficiency Cost (Equals Final Projected Sufficient Total Cost - Actual Program Cost - Emergency Supplemental)					\$716,782			
Hold-Harmless Projected Sufficient Total Cost					\$2,029,584			
Percent Difference Between Actual Program Cost/Emergency Supplemental and Hold-Harmless Projected Sufficient Total Cost					54.6%			

DISTRICT CALCULATOR 2007-08
1 - Choose District (Use Pull-Down Menu Below)
MAXWELL
User Input Cost Factors

	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Total District Enrollment
User Input Cost Factor Values	70.4%	0.0%	16.0%	28.8%	25.6%	34.1%	106

Cost Factors

	Student Needs				Grade Composition		Scale	
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Enrollment-Linear	Enrollment-Quadratic
Coefficients	0.375	0.094	1.723	0.190	0.291	0.608	-0.575	0.029
Transformed Demographic Values	1.704	1.000	1.160	1.288	1.256	1.341	105.5	2.67E+09
Individual Formula Adjustments	1.221	1.000	1.291	1.049	1.005	1.007	2.068	
Combined Student Needs Adjustment	1.655							
Combined Grade Composition Adjustment					1.012			
Combined Scale Adjustment							2.068	
Overall Adjustment (Combined Student Needs/Grade Composition/Scale)					3.466			
Base Per-Pupil Cost					\$5,106			
Initial Sufficient Per-Pupil Cost					\$17,697			
ISO Formula Adjustment					1.027			
Final Projected Sufficient Per-Pupil Cost					\$18,167			
Final Projected Sufficient Total Cost					\$1,916,602			
Actual Program Cost					\$1,201,318			
Emergency Supplemental					\$645,789			
Total Marginal Sufficiency Cost (Equals Final Projected Sufficient Total Cost - Actual Program Cost - Emergency Supplemental)					\$69,495			
Hold-Harmless Projected Sufficient Total Cost					\$1,916,602			
Percent Difference Between Actual Program Cost/Emergency Supplemental and Hold-Harmless Projected Sufficient Total Cost					3.8%			

DISTRICT CALCULATOR 2007-08
1 - Choose District (Use Pull-Down Menu Below)
MOSQUERO
User Input Cost Factors

	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Total District Enrollment
User Input Cost Factor Values	43.6%	0.0%	16.0%	7.1%	20.7%	40.2%	41

Cost Factors

	Student Needs				Grade Composition		Scale	
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Enrollment-Linear	Enrollment-Quadratic
Coefficients	0.375	0.094	1.723	0.190	0.291	0.608	-0.575	0.029
Transformed Demographic Values	1.436	1.000	1.160	1.071	1.207	1.402	41	9.75.E+05
Individual Formula Adjustments	1.145	1.000	1.291	1.013	0.994	1.035	2.838	
Combined Student Needs Adjustment	1.499							
Combined Grade Composition Adjustment					1.028			
Combined Scale Adjustment							2.838	
Overall Adjustment (Combined Student Needs/Grade Composition/Scale)					4.374			
Base Per-Pupil Cost					\$5,106			
Initial Sufficient Per-Pupil Cost					\$22,334			
ISQ Formula Adjustment					1.000			
Final Projected Sufficient Per-Pupil Cost					\$22,334			
Final Projected Sufficient Total Cost					\$915,685			
Actual Program Cost					\$549,716			
Emergency Supplemental					\$450,554			
Total Marginal Sufficiency Cost (Equals Final Projected Sufficient Total Cost - Actual Program Cost - Emergency Supplemental)					(\$84,585)			
Hold-Harmless Projected Sufficient Total Cost					\$1,000,271			
Percent Difference Between Actual Program Cost/Emergency Supplemental and Hold-Harmless Projected Sufficient Total Cost					0.0%			

DISTRICT CALCULATOR 2007-08

1 - Choose District (Use Pull-Down Menu Below)

ROY

	User Input Cost Factors						
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Total District Enrollment
User Input Cost Factor Values	68.6%	0.0%	16.0%	5.6%	28.4%	52.2%	67

	Cost Factors							
	Student Needs				Grade Composition		Scale	
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Enrollment-Linear	Enrollment-Quadratic
Coefficients	0.375	0.094	1.723	0.190	0.291	0.608	-0.575	0.029
Transformed Demographic Values	1.686	1.000	1.160	1.056	1.284	1.522	67	4.77.E+07
Individual Formula Adjustments	1.216	1.000	1.291	1.010	1.011	1.088	2.393	
Combined Student Needs Adjustment	1.587							
Combined Grade Composition Adjustment					1.100			
Combined Scale Adjustment							2.393	
Overall Adjustment (Combined Student Needs/Grade Composition/Scale)	4.179							
Base Per-Pupil Cost	\$5,106							
Initial Sufficient Per-Pupil Cost	\$21,337							
ISQ Formula Adjustment	1.000							
Final Projected Sufficient Per-Pupil Cost	\$21,337							
Final Projected Sufficient Total Cost	\$1,429,607							
Actual Program Cost	\$827,488							
Emergency Supplemental	\$486,145							
Total Marginal Sufficiency Cost (Equals Final Projected Sufficient Total Cost - Actual Program Cost - Emergency Supplemental)	\$115,975							
Hold-Harmless Projected Sufficient Total Cost	\$1,429,607							
Percent Difference Between Actual Program Cost/Emergency Supplemental and Hold-Harmless Projected Sufficient Total Cost	8.8%							

DISTRICT CALCULATOR 2007-08
1 - Choose District (Use Pull-Down Menu Below)
SAN JON
User Input Cost Factors

	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Total District Enrollment
User Input Cost Factor Values	65.3%	0.0%	16.0%	20.9%	19.6%	47.5%	151

Cost Factors

	Student Needs				Grade Composition		Scale	
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Enrollment-Linear	Enrollment-Quadratic
Coefficients	0.375	0.094	1.723	0.190	0.291	0.608	-0.575	0.029
Transformed Demographic Values	1.653	1.000	1.160	1.209	1.196	1.475	150.5	8.28.E+10
Individual Formula Adjustments	1.207	1.000	1.291	1.037	0.991	1.067	1.861	
Combined Student Needs Adjustment	1.617							
Combined Grade Composition Adjustment					1.058			
Combined Scale Adjustment							1.861	
Overall Adjustment (Combined Student Needs/Grade Composition/Scale)					3.181			
Base Per-Pupil Cost					\$5,106			
Initial Sufficient Per-Pupil Cost					\$16,244			
ISQ Formula Adjustment					1.063			
Final Projected Sufficient Per-Pupil Cost					\$17,267			
Final Projected Sufficient Total Cost					\$2,598,670			
Actual Program Cost					\$1,654,870			
Emergency Supplemental					\$86,734			
Total Marginal Sufficiency Cost (Equals Final Projected Sufficient Total Cost - Actual Program Cost - Emergency Supplemental)					\$857,066			
Hold-Harmless Projected Sufficient Total Cost					\$2,598,670			
Percent Difference Between Actual Program Cost/Emergency Supplemental and Hold-Harmless Projected Sufficient Total Cost					49.2%			

DISTRICT CALCULATOR 2007-08

1 - Choose District (Use Pull-Down Menu Below)

SPRINGER

	User Input Cost Factors						
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Total District Enrollment
User Input Cost Factor Values	78.8%	0.0%	16.0%	11.9%	26.0%	28.9%	206

	Cost Factors							
	Student Needs				Grade Composition		Scale	
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Enrollment-Linear	Enrollment-Quadratic
Coefficients	0.375	0.094	1.723	0.190	0.291	0.608	-0.575	0.029
Transformed Demographic Values	1.788	1.000	1.160	1.119	1.260	1.289	206	2.13.E+12
Individual Formula Adjustments	1.244	1.000	1.291	1.022	1.006	0.983	1.705	
Combined Student Needs Adjustment	1.641							
Combined Grade Composition Adjustment					0.989			
Combined Scale Adjustment							1.705	
Overall Adjustment (Combined Student Needs/Grade Composition/Scale)	2.768							
Base Per-Pupil Cost	\$5,106							
Initial Sufficient Per-Pupil Cost	\$14,131							
ISQ Formula Adjustment	1.000							
Final Projected Sufficient Per-Pupil Cost	\$14,131							
Final Projected Sufficient Total Cost	\$2,910,902							
Actual Program Cost	\$2,193,426							
Emergency Supplemental	\$403,548							
Total Marginal Sufficiency Cost (Equals Final Projected Sufficient Total Cost - Actual Program Cost - Emergency Supplemental)	\$313,928							
Hold-Harmless Projected Sufficient Total Cost	\$2,910,902							
Percent Difference Between Actual Program Cost/Emergency Supplemental and Hold-Harmless Projected Sufficient Total Cost	12.1%							

DISTRICT CALCULATOR 2007-08

1 - Choose District (Use Pull-Down Menu Below)

VAUGHN

	User Input Cost Factors						
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Total District Enrollment
User Input Cost Factor Values	79.2%	46.1%	16.0%	29.4%	22.3%	23.4%	99

	Cost Factors							
	Student Needs				Grade Composition		Scale	
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Enrollment-Linear	Enrollment-Quadratic
Coefficients	0.375	0.094	1.723	0.190	0.291	0.608	-0.575	0.029
Transformed Demographic Values	1.792	1.461	1.160	1.294	1.223	1.234	98.5	1.41.E+09
Individual Formula Adjustments	1.245	1.036	1.291	1.050	0.997	0.957	2.113	
Combined Student Needs Adjustment	1.749							
Combined Grade Composition Adjustment					0.955			
Combined Scale Adjustment							2.113	
Overall Adjustment (Combined Student Needs/Grade Composition/Scale)	3.529							
Base Per-Pupil Cost	\$5,106							
Initial Sufficient Per-Pupil Cost	\$18,018							
ISQ Formula Adjustment	1.000							
Final Projected Sufficient Per-Pupil Cost	\$18,018							
Final Projected Sufficient Total Cost	\$1,774,781							
Actual Program Cost	\$1,296,695							
Emergency Supplemental	\$266,902							
Total Marginal Sufficiency Cost (Equals Final Projected Sufficient Total Cost - Actual Program Cost - Emergency Supplemental)	\$211,185							
Hold-Harmless Projected Sufficient Total Cost	\$1,774,781							
Percent Difference Between Actual Program Cost/Emergency Supplemental and Hold-Harmless Projected Sufficient Total Cost	13.5%							

DISTRICT CALCULATOR 2007-08
1 - Choose District (Use Pull-Down Menu Below)
WAGON MOUND
User Input Cost Factors

	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Total District Enrollment
User Input Cost Factor Values	47.9%	34.4%	16.0%	33.8%	15.8%	65.3%	159

Cost Factors

	Student Needs				Grade Composition		Scale	
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Enrollment-Linear	Enrollment-Quadratic
Coefficients	0.375	0.094	1.723	0.190	0.291	0.608	-0.575	0.029
Transformed Demographic Values	1.479	1.344	1.160	1.338	1.158	1.653	158.5	1.40.E+11
Individual Formula Adjustments	1.158	1.028	1.291	1.057	0.982	1.144	1.834	
Combined Student Needs Adjustment	1.625							
Combined Grade Composition Adjustment					1.123			
Combined Scale Adjustment							1.834	
Overall Adjustment (Combined Student Needs/Grade Composition/Scale)					3.346			
Base Per-Pupil Cost					\$5,106			
Initial Sufficient Per-Pupil Cost					\$17,084			
ISQ Formula Adjustment					1.000			
Final Projected Sufficient Per-Pupil Cost					\$17,084			
Final Projected Sufficient Total Cost					\$2,707,779			
Actual Program Cost					\$2,005,002			
Emergency Supplemental					\$685,567			
Total Marginal Sufficiency Cost (Equals Final Projected Sufficient Total Cost - Actual Program Cost - Emergency Supplemental)					\$17,211			
Hold-Harmless Projected Sufficient Total Cost					\$2,707,779			
Percent Difference Between Actual Program Cost/Emergency Supplemental and Hold-Harmless Projected Sufficient Total Cost					0.6%			

**PROPOSED FUNDING FORMULA PROGRAM COST COMPARED TO
2007-2008 OPERATING BUDGET PROGRAM COST PLUS BUDGETED EMERGENCY SUPPLEMENTAL
Santa Fe, NM: Group 3**

	DES MOINES	MAXWELL	MOSQUERO	ROY	SAN JON	SPRINGER	VAUGHN	WAGON MOUND	
1 Cost Factor Values									1
2 •Percent Free/Reduced Lunch	55.6%	70.4%	43.6%	68.6%	65.3%	78.6%	79.2%	47.9%	2
3 •Percent English Learners	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	46.1%	34.4%	3
4 •Percent Special Education (Census-based)	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	4
5 •Percent Mobility	16.9%	28.8%	7.1%	5.6%	20.9%	11.9%	29.4%	33.8%	5
6 •Enrollment Share in Grades 6-8	27.0%	25.6%	20.7%	28.4%	19.6%	26.0%	22.3%	15.8%	6
7 •Enrollment Share in Grades 9-12	36.1%	34.1%	40.2%	52.2%	47.5%	28.9%	23.4%	65.3%	7
8 •Total District Enrollment	126.0	105.5	41.0	67.0	150.5	206.0	98.5	158.5	8
9									9
10 Individual Formula Adjustments									10
11 <u>Student Needs</u>									11
12 •Free/Reduced Lunch	1.181	1.221	1.145	1.216	1.207	1.244	1.245	1.158	12
13 •English Learners	1.000	1.000	1.000	1.000	1.000	1.000	1.036	1.028	13
14 •Special Education	1.291	1.291	1.291	1.291	1.291	1.291	1.291	1.291	14
15 •Mobility	1.030	1.049	1.013	1.010	1.037	1.022	1.050	1.057	15
16 <u>Grade Composition</u>									16
17 •Grades 6-8	1.008	1.005	0.994	1.011	0.991	1.006	0.997	0.982	17
18 •Grades 9-12	1.016	1.007	1.035	1.088	1.067	0.983	0.957	1.144	18
19 <u>Scale (Enrollment)</u>									19
20 •Scale	1.960	2.068	2.838	2.393	1.861	1.705	2.113	1.834	20
21									21
22 Combined Adjustments									22
23 •Student Needs (all factors multiplied by each other)	1.570	1.655	1.499	1.587	1.617	1.641	1.749	1.625	23
24 •Grade Composition (all factors multiplied by each other)	1.025	1.012	1.028	1.100	1.058	0.989	0.955	1.123	24
25 •Scale	1.960	2.068	2.838	2.393	1.861	1.705	2.113	1.834	25
26 Overall Adjustment (Combined Student Needs x Grade Composition x Scale)	3.155	3.466	4.374	4.179	3.181	2.768	3.529	3.346	26
27									27
28 Base Per-Pupil Cost	\$5,106	\$5,106	\$5,106	\$5,106	\$5,106	\$5,106	\$5,106	\$5,106	28
29 x Overall Adjustment	3.155	3.466	4.374	4.179	3.181	2.768	3.529	3.346	29
30 Initial Sufficient Per-Pupil Cost	\$16,108	\$17,697	\$22,334	\$21,337	\$16,244	\$14,131	\$18,018	\$17,084	30
31									31
32 x ISQ Formula Adjustment	1.000	1.027	1.000	1.000	1.063	1.000	1.000	1.000	32
33 Final Projected Sufficient Per-Pupil Cost	\$16,108	\$18,167	\$22,334	\$21,337	\$17,267	\$14,131	\$18,018	\$17,084	33
34									34
35 x Total District Enrollment	126.0	105.5	41.0	67.0	150.5	206.0	98.5	158.5	35
36 Final Projected Sufficient Total (Program) Cost	\$2,029,584	\$1,916,602	\$915,685	\$1,429,607	\$2,598,670	\$2,910,902	\$1,774,781	\$2,707,779	36
37									37
38 Actual Program Cost (2007-2008 Operating Budget)	\$1,312,802	\$1,201,318	\$549,716	\$827,488	\$1,654,870	\$2,193,426	\$1,296,695	\$2,005,002	38
39 + Emergency Supplemental	\$0	\$645,789	\$450,554	\$486,145	\$86,734	\$403,548	\$266,902	\$685,567	39
40 2007-2008 Total Program Cost & Emergency Supplemental	\$1,312,802	\$1,847,107	\$1,000,271	\$1,313,633	\$1,741,603	\$2,596,974	\$1,563,596	\$2,690,569	40
41									41
42 Total Marginal Sufficiency Cost = Final Projected Sufficient Total (Program) Cost on line 36 - 2007-2008 Total on line 40	\$716,782	\$69,495	(\$84,585)	\$115,975	\$857,066	\$313,928	\$211,185	\$17,211	42
43									43
44 Percent Increase/(Decrease)	54.6%	3.8%	-8.5%	8.8%	49.2%	12.1%	13.5%	0.6%	44

DISTRICT CALCULATOR 2007-08
1 - Choose District (Use Pull-Down Menu Below)
DES MOINES
User Input Cost Factors

	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Total District Enrollment
User Input Cost Factor Values	55.6%	0.0%	16.0%	16.9%	27.0%	36.1%	126

Cost Factors

	Student Needs				Grade Composition		Scale	
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Enrollment-Linear	Enrollment-Quadratic
Coefficients	0.375	0.094	1.723	0.190	0.291	0.608	-0.575	0.029
Transformed Demographic Values	1.556	1.000	1.160	1.169	1.270	1.361	126	1.44.E+10
Individual Formula Adjustments	1.181	1.000	1.291	1.030	1.008	1.016	1.960	
Combined Student Needs Adjustment	1.570							
Combined Grade Composition Adjustment					1.025			
Combined Scale Adjustment							1.960	
Overall Adjustment (Combined Student Needs/Grade Composition/Scale)					3.155			
Base Per-Pupil Cost					\$5,106			
Initial Sufficient Per-Pupil Cost					\$16,108			
ISQ Formula Adjustment					1.000			
Final Projected Sufficient Per-Pupil Cost					\$16,108			
Final Projected Sufficient Total Cost					\$2,029,584			
Actual Program Cost					\$1,312,802			
Emergency Supplemental					\$0			
Total Marginal Sufficiency Cost (Equals Final Projected Sufficient Total Cost - Actual Program Cost - Emergency Supplemental)					\$716,782			
Hold-Harmless Projected Sufficient Total Cost					\$2,029,584			
Percent Difference Between Actual Program Cost/Emergency Supplemental and Hold-Harmless Projected Sufficient Total Cost					54.6%			

DISTRICT CALCULATOR 2007-08
1 - Choose District (Use Pull-Down Menu Below)
MAXWELL
User Input Cost Factors

	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Total District Enrollment
User Input Cost Factor Values	70.4%	0.0%	16.0%	28.8%	25.6%	34.1%	106

Cost Factors

	Student Needs				Grade Composition		Scale	
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Enrollment-Linear	Enrollment-Quadratic
Coefficients	0.375	0.094	1.723	0.190	0.291	0.608	-0.575	0.029
Transformed Demographic Values	1.704	1.000	1.160	1.288	1.256	1.341	105.5	2.67E+09
Individual Formula Adjustments	1.221	1.000	1.291	1.049	1.005	1.007	2.068	
Combined Student Needs Adjustment	1.655							
Combined Grade Composition Adjustment					1.012			
Combined Scale Adjustment							2.068	
Overall Adjustment (Combined Student Needs/Grade Composition/Scale)					3.466			
Base Per-Pupil Cost					\$5,106			
Initial Sufficient Per-Pupil Cost					\$17,697			
ISQ Formula Adjustment					1.027			
Final Projected Sufficient Per-Pupil Cost					\$18,167			
Final Projected Sufficient Total Cost					\$1,916,602			
Actual Program Cost					\$1,201,318			
Emergency Supplemental					\$645,789			
Total Marginal Sufficiency Cost (Equals Final Projected Sufficient Total Cost - Actual Program Cost - Emergency Supplemental)					\$69,495			
Hold-Harmless Projected Sufficient Total Cost					\$1,916,602			
Percent Difference Between Actual Program Cost/Emergency Supplemental and Hold-Harmless Projected Sufficient Total Cost					3.8%			

DISTRICT CALCULATOR 2007-08

1 - Choose District (Use Pull-Down Menu Below)

MOSQUERO

	User Input Cost Factors						
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Total District Enrollment
User Input Cost Factor Values	43.6%	0.0%	16.0%	7.1%	20.7%	40.2%	41

	Cost Factors							
	Student Needs				Grade Composition		Scale	
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Enrollment-Linear	Enrollment-Quadratic
Coefficients	0.375	0.094	1.723	0.190	0.291	0.608	-0.575	0.029
Transformed Demographic Values	1.436	1.000	1.160	1.071	1.207	1.402	41	9.75.E+05
Individual Formula Adjustments	1.145	1.000	1.291	1.013	0.994	1.035	2.838	
Combined Student Needs Adjustment	1.499							
Combined Grade Composition Adjustment					1.028			
Combined Scale Adjustment							2.838	
Overall Adjustment (Combined Student Needs/Grade Composition/Scale)	4.374							
Base Per-Pupil Cost	\$5,106							
Initial Sufficient Per-Pupil Cost	\$22,334							
ISQ Formula Adjustment	1.000							
Final Projected Sufficient Per-Pupil Cost	\$22,334							
Final Projected Sufficient Total Cost	\$915,685							
Actual Program Cost	\$549,716							
Emergency Supplemental	\$450,554							
Total Marginal Sufficiency Cost (Equals Final Projected Sufficient Total Cost - Actual Program Cost - Emergency Supplemental)	(\$84,585)							
Hold-Harmless Projected Sufficient Total Cost	\$1,000,271							
Percent Difference Between Actual Program Cost/Emergency Supplemental and Hold-Harmless Projected Sufficient Total Cost	0.0%							

DISTRICT CALCULATOR 2007-08

1 - Choose District (Use Pull-Down Menu Below)

ROY

User Input Cost Factors

Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Total District Enrollment
68.6%	0.0%	16.0%	5.6%	28.4%	52.2%	67

Cost Factors

	Student Needs				Grade Composition		Scale	
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Enrollment-Linear	Enrollment-Quadratic
Coefficients	0.375	0.094	1.723	0.190	0.291	0.608	-0.575	0.029
Transformed Demographic Values	1.686	1.000	1.160	1.056	1.284	1.522	67	4.77.E+07
Individual Formula Adjustments	1.216	1.000	1.291	1.010	1.011	1.088	2.393	
Combined Student Needs Adjustment	1.587							
Combined Grade Composition Adjustment					1.100			
Combined Scale Adjustment							2.393	
Overall Adjustment (Combined Student Needs/ Grade Composition/Scale)					4.179			
Base Per-Pupil Cost					\$5,106			
Initial Sufficient Per-Pupil Cost					\$21,337			
ISQ Formula Adjustment					1.000			
Final Projected Sufficient Per-Pupil Cost					\$21,337			
Final Projected Sufficient Total Cost					\$1,429,607			
Actual Program Cost					\$827,488			
Emergency Supplemental					\$486,145			
Total Marginal Sufficiency Cost (Equals Final Projected Sufficient Total Cost - Actual Program Cost - Emergency Supplemental)					\$115,975			
Hold-Harmless Projected Sufficient Total Cost					\$1,429,607			
Percent Difference Between Actual Program Cost/Emergency Supplemental and Hold-Harmless Projected Sufficient Total Cost					8.8%			

DISTRICT CALCULATOR 2007-08

1 - Choose District (Use Pull-Down Menu Below)

SAN JON

	User Input Cost Factors						
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Total District Enrollment
User Input Cost Factor Values	65.3%	0.0%	16.0%	20.9%	19.6%	47.5%	151

	Cost Factors							
	Student Needs				Grade Composition		Scale	
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Enrollment-Linear	Enrollment-Quadratic
Coefficients	0.375	0.094	1.723	0.190	0.291	0.608	-0.575	0.029
Transformed Demographic Values	1.653	1.000	1.160	1.209	1.196	1.475	150.5	8.28.E+10
Individual Formula Adjustments	1.207	1.000	1.291	1.037	0.991	1.067	1.861	
Combined Student Needs Adjustment	1.617							
Combined Grade Composition Adjustment					1.058			
Combined Scale Adjustment							1.861	
Overall Adjustment (Combined Student Needs/Grade Composition/Scale)	3.181							
Base Per-Pupil Cost	\$5,106							
Initial Sufficient Per-Pupil Cost	\$16,244							
ISQ Formula Adjustment	1.063							
Final Projected Sufficient Per-Pupil Cost	\$17,267							
Final Projected Sufficient Total Cost	\$2,598,670							
Actual Program Cost	\$1,654,870							
Emergency Supplemental	\$86,734							
Total Marginal Sufficiency Cost (Equals Final Projected Sufficient Total Cost - Actual Program Cost - Emergency Supplemental)	\$857,066							
Hold-Harmless Projected Sufficient Total Cost	\$2,598,670							
Percent Difference Between Actual Program Cost/Emergency Supplemental and Hold-Harmless Projected Sufficient Total Cost	49.2%							

DISTRICT CALCULATOR 2007-08

1 - Choose District (Use Pull-Down Menu Below)

SPRINGER

	User Input Cost Factors						
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Total District Enrollment
User Input Cost Factor Values	78.8%	0.0%	16.0%	11.9%	26.0%	28.9%	206

	Cost Factors							
	Student Needs				Grade Composition		Scale	
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Enrollment-Linear	Enrollment-Quadratic
Coefficients	0.375	0.094	1.723	0.190	0.291	0.608	-0.575	0.029
Transformed Demographic Values	1.788	1.000	1.160	1.119	1.260	1.289	206	2.13.E+12
Individual Formula Adjustments	1.244	1.000	1.291	1.022	1.006	0.983	1.705	
Combined Student Needs Adjustment	1.641							
Combined Grade Composition Adjustment					0.989			
Combined Scale Adjustment							1.705	
Overall Adjustment (Combined Student Needs/Grade Composition/Scale)	2.768							
Base Per-Pupil Cost	\$5,106							
Initial Sufficient Per-Pupil Cost	\$14,131							
ISQ Formula Adjustment	1.000							
Final Projected Sufficient Per-Pupil Cost	\$14,131							
Final Projected Sufficient Total Cost	\$2,910,902							
Actual Program Cost	\$2,193,426							
Emergency Supplemental	\$403,548							
Total Marginal Sufficiency Cost (Equals Final Projected Sufficient Total Cost - Actual Program Cost - Emergency Supplemental)	\$313,928							
Hold-Harmless Projected Sufficient Total Cost	\$2,910,902							
Percent Difference Between Actual Program Cost/Emergency Supplemental and Hold-Harmless Projected Sufficient Total Cost	12.1%							

DISTRICT CALCULATOR 2007-08

1 - Choose District (Use Pull-Down Menu Below)

VAUGHN

	User Input Cost Factors						
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Total District Enrollment
User Input Cost Factor Values	79.2%	46.1%	16.0%	29.4%	22.3%	23.4%	99

	Cost Factors							
	Student Needs				Grade Composition		Scale	
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Enrollment-Linear	Enrollment-Quadratic
Coefficients	0.375	0.094	1.723	0.190	0.291	0.608	-0.575	0.029
Transformed Demographic Values	1.792	1.461	1.160	1.294	1.223	1.234	98.5	1.41.E+09
Individual Formula Adjustments	1.245	1.036	1.291	1.050	0.997	0.957	2.113	
Combined Student Needs Adjustment	1.749							
Combined Grade Composition Adjustment					0.955			
Combined Scale Adjustment							2.113	
Overall Adjustment (Combined Student Needs/Grade Composition/Scale)	3.529							
Base Per-Pupil Cost	\$5,106							
Initial Sufficient Per-Pupil Cost	\$18,018							
ISQ Formula Adjustment	1.000							
Final Projected Sufficient Per-Pupil Cost	\$18,018							
Final Projected Sufficient Total Cost	\$1,774,781							
Actual Program Cost	\$1,296,695							
Emergency Supplemental	\$266,902							
Total Marginal Sufficiency Cost (Equals Final Projected Sufficient Total Cost - Actual Program Cost - Emergency Supplemental)	\$211,185							
Hold-Harmless Projected Sufficient Total Cost	\$1,774,781							
Percent Difference Between Actual Program Cost/Emergency Supplemental and Hold-Harmless Projected Sufficient Total Cost	13.5%							

DISTRICT CALCULATOR 2007-08
1 - Choose District (Use Pull-Down Menu Below)
WAGON MOUND
User Input Cost Factors

	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Total District Enrollment
User Input Cost Factor Values	47.9%	34.4%	16.0%	33.8%	15.8%	65.3%	159

Cost Factors

	Student Needs				Grade Composition		Scale	
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Enrollment-Linear	Enrollment-Quadratic
Coefficients	0.375	0.094	1.723	0.190	0.291	0.608	-0.575	0.029
Transformed Demographic Values	1.479	1.344	1.160	1.338	1.158	1.653	158.5	1.40.E+11
Individual Formula Adjustments	1.158	1.028	1.291	1.057	0.982	1.144	1.834	
Combined Student Needs Adjustment	1.625							
Combined Grade Composition Adjustment					1.123			
Combined Scale Adjustment							1.834	
Overall Adjustment (Combined Student Needs/Grade Composition/Scale)					3.346			
Base Per-Pupil Cost					\$5,106			
Initial Sufficient Per-Pupil Cost					\$17,084			
ISQ Formula Adjustment					1.000			
Final Projected Sufficient Per-Pupil Cost					\$17,084			
Final Projected Sufficient Total Cost					\$2,707,779			
Actual Program Cost					\$2,005,002			
Emergency Supplemental					\$685,567			
Total Marginal Sufficiency Cost (Equals Final Projected Sufficient Total Cost - Actual Program Cost - Emergency Supplemental)					\$17,211			
Hold-Harmless Projected Sufficient Total Cost					\$2,707,779			
Percent Difference Between Actual Program Cost/Emergency Supplemental and Hold-Harmless Projected Sufficient Total Cost					0.6%			

NOV 18 2008

Proposed Funding Avenues for Des Moines Educational Funding

1. *How will the implementation of the proposed funding formula affect your district's program cost?*

Our existing program costs will only increase in existing programs. We wish we could add enhancements to our programs, but our funding will keep us working to minimums while expectations are for maximums.

2. *How will the implementation of the proposed funding formula impact the educational programs and student services provided in your district?*

a) Educational Programs: One of the items we would like to do is get more use out of our library. We have been unable to have library services due to insufficient funding, at present we open our library one day each week. We would like to have areas of specialty offered to grades 4,5, and 6 i.e. math, science, reading, social studies, PE, art/music. We would like to not have to have combined classes in our middle school classrooms. As presently structured we don't see any improvements to our currently bare bones program. Our school presently has very high standards (reaching AYP) with most graduates going to college.

3. *Will your district use the additional funding resulting from implementation of the proposed funding formula to reduce class sizes?* We don't see any increased funding coming our way. Last school year Des Moines Municipal School enrollment was over ninety students K-12. This year our present enrollment is 80 K-12. We already have small classes. We have been requesting emergency supplemental funding for several years. If this funding formula passes instead of asking for emergency funding of \$400,000.00 we will only have to ask for \$100,000.00.

4. *What other changes might your district consider as a result of additional funding?* We don't foresee any increase and will only be able to continue basic services with continued supplemental funding.

5. *How will your district ensure that it provides all of the following educational programs and services as required in the funding formula bill, as amended, during the session?* The bulleted items required as standard educational offerings in a New Mexico School are offerings we have implemented in our present program, as offered programs are minimal. We had hopes of being able to offer quality education programs to our children, but the funding formula as designed, has no structure to fix costs to open the building. Fixed costs are virtually the same for a school of 75 students as they are for 150 students. We had hoped to improve these programs and learning experiences for our students. Such as offering AP classes (the teacher/s would be trained) and we would have vocational and fine Arts offerings.

6. Existing and Proposed Staff changes with Funding Formula.

Personnel	Elem	Mid/High	Current FTE	Proposed FTE
Teachers	6	6	11.8	
Principals	0.25	0.25	0.5	
Counselors		0.5	0.5	
Nurses	0.2	0.2	0.4	
PE Teachers	0	0	0.2	0.2
Art and Music teachers	0	0	0	0.4
Librarians	0.4	0	0.4	1
AP Teachers				0.5
Educational Assistants	0.5	0.5	1	
Special Ed Teachers	0.5	0.5	1	
M &O Staff	1	1	2	1
Data Entry/Secretary	0.5	0.5	1	
Other Central Office staff			1	
Other School based staff			2	
Proposed Change				3.1 FTE

I don't see that any of this proposed change of 3.1 FTE to improve the education of our students will be possible.

7. Do you believe that the EPSS is the appropriate mechanism to tie together budget approval and program delivery? Yes I do

8. Des Moines Teacher ISQ funding calculation.

We have 3 level I Teachers factor .67 (We have 9 level II teachers, 2 @.76, 1 @.82, 3 @.93, 2 @1.04, 1 @ .88. (We have 1 level III teacher @ 1.25. (We have on ISQ B staff @ bachelor's or less @.87. This New ISQ would not result in increased funding for our district. The district would be 1.00.

9. Number of students currently enrolled with IEP.

08-09 Number: 10

08-09 Percentage: 13%

10. How will the proposed funding formula's use of the fixed special education identification rate of 16 percent impact special education funding for your district? If our percentage stays the same

for 09-10 we will have 3% to enhance the program for existing students. If we have a severe needs student come in next year we may have to supplement the program.

11. Number of gifted students 08-09.

Number: 1

Percentage: .013%

12. *How will your district specifically address the needs of students identified as gifted? We will not be able to.*

13. *What revenue sources for the additional dollars needed to reach sufficiency would your district support? We support the sufficient funding of education in New Mexico by the State. We would support a 1% increase in the States' GRT to achieve proper funding.*

14. *What problems, if any, does your district anticipate will arise from the implementation of the proposed funding formula? Small schools will still not be sufficiently funded. The funding formula, to be equitable for all students must be adjusted to have a base or larger multiplier for small schools.*

15. *What problems, if any, does your district anticipate will arise of the proposed funding formula is not implemented? We have had decreasing enrollment for the last several years and have been required to go to Santa Fe to request supplemental funding to enable us to continue a basic educational programs and this will continue with or without the formula. If the formula is not implemented we will have to continue ask Santa Fe for as much money to meet the State required educational standards in our district. The current funding formula does not cover basic education. The New Formula will not cover the basic needs of small schools. Professional development is a major factor for continued school improvement and is recommended by the State and educational research as good policy, and this will not be implemented in this program.*

16. *Please feel free to identify any other issues that have not been addressed in these questions that you feel the committee should be aware of. The amount of time and effort presently expended to accomplish the requirements of education with very limited financial resources is misplaced/ misspent effort. When funded appropriately the time and effort expended on making ends meet can be directed toward the correct focus of the educational community's existence, educating the children of New Mexico to be world citizens for the 21st century. New Mexico Schools with enrollments of less than 100 students will not benefit from this formula and will probably require supplemental funds.*

**Maxwell Municipal Schools
LESC Hearing
November 19, 2008**

RECEIVED
VIA E-MAIL

NOV 17 2008

District Information

The Maxwell School District is located in Maxwell, NM on I-25 about 25 miles south of Raton.

Student Enrollment			97
Elem	K-6	52	
Mid	7-8	14	
HS	9-12	31	

Graduates 6-8 students per year

Gradually decreasing enrollment

About 70% free and reduced lunch

Operational Budget \$1.7 million

Full time employees	31
Part-time employees	2
Administrative Staff	1

All schools have consistently made AYP

Programs and Services:

- 1. How will the implementation of the proposed funding formula affect your district's program cost?**

It would appear that the Maxwell School District would receive very little additional funding (< 4%?) under the new formula.

It is difficult to tell because state estimates are based upon enrollment data from 2006-2007.

- 2. How will the implementation of the proposed funding formula impact the educational programs and student services provided by your district?**

a) Educational Programs:

It would appear that the district would have to struggle to keep up with inflation.

b) Student Services:

It would appear that the district would have to struggle to keep up with inflation.

- 3. Will your district use the additional funding resulting from the implementation of the proposed funding formula to reduce class size? If so, what grades, and how many classrooms would be affected?**

The District does not have a class size problem so additional funding, if any, would not be used for that purpose.

- 4. What other changes might your district consider as a result of additional funding?**

Additional funding, if any, would be used to save part of the after school program which is currently a Twenty-First Century grant project in its final year.

5. How will your district ensure that it provides all of the following educational programs and services as required in the funding formula bill, as amended, during the session?

- bilingual and multicultural education, including culturally relevant learning environments, educational opportunities, and culturally relevant instructional materials;
- health and wellness, including physical education, athletics, nutrition, and health education;
- career-technical education;
- visual and performing arts and music;
- gifted education, advanced placement, and honors programs;
- special education; and
- distance education.

The district currently receives supplemental funding because of insufficient formula funding. That funding was reduced by approximately \$140,000 below request for 2007-8, so cuts were made. We will continue to struggle to meet the obligations listed above with the apparent new formula which, from our point of view, solves no problems.

6. To the best of your ability at this time, please fill in the table below to identify the additional state-funded FTE that your district would be able to provide as a result of the implementation of the proposed funding formula:

Personnel	Elementary	Middle	High	Current FTE	Proposed FTE
Teachers					
Principals					
Counselors					
Nurses					
Physical Education Teachers					
Art and Music Teachers					
Social Workers					
Librarians					
Advanced Placement Teachers					
Gifted Education					
Intervention Specialists					

Personnel	Elementary	Middle	High	Current FTE	Proposed FTE
Bilingual Education					
Educational Assistants					
Special Education Teachers (excluding gifted)					
Ancillary and Support Staff					
Maintenance and Operations Staff (including custodians)					
Data Entry Clerks					
Other Central Office Staff					
Other School-based Staff					

The District would not be able to employ any additional staff.

Staff Salaries:

The proposed funding formula would replace the current Training and Experience (T&E) Index with the Index of Staff Qualifications (ISQ). Although both indexes are designed to distribute additional funding to districts and charter schools based on the composition of their instructional staff, they are not identical:

- The T&E calculation is based on years of service and academic degrees for all instructional staff but does not reflect the three-tiered licensure system for teachers.
 - The ISQ calculation recognizes not only experience and academic degrees but also licensure levels. It was calibrated on the average teacher salaries for each of the three levels and distributes additional dollars based on the proportion of teachers in each of those levels. In addition, there is a second calculation for those instructional staff, such as counselors, who are not included in the three-tiered system. Because the base per-student cost upon which the proposed formula is based already reflects the average salary by personnel category in the average district, the ISQ is applied only to salary costs in a district or charter school that are beyond the average.
7. If you have calculated your district's ISQ using the most recent matrices in the bill (see attachment), how would this factor impact funding for your district?

Apparently there would be very little favorable impact.

Special Education:

8. Currently, how many students in your district have been identified as in need of special education, and what percentage of your district's enrollment does this number represent? (Do not include gifted students.)

Number: 20

Percentage: 21 %

8. How will the proposed funding formula's utilization of a fixed special education identification rate of 16 percent impact special education funding for your district?

We believe that the 16 % factor is arbitrary and capricious and, if adopted, should be challenged in court. It funds "phantom students" and rewards districts with less than 16 % and punishes districts which, through no fault of their own, have more than 16 %.

Gifted Education:

10. Currently, how many students in your district have been identified as gifted, and what percentage of your district's enrollment does this number represent?

Number: 0

Percentage: 0 %

11. Even though the bill as amended during the session does not require districts to consider students that have been identified as gifted to be in need of special education, it does require that these students be served. How will your district specifically address the needs of students identified as gifted?

The District is aggressively pursuing acceleration and enrichment opportunities through distance learning opportunities.

Revenue Sources for Implementation:

We are using regular budget monies as well as state monies for AP courses.

12. What revenue sources for the additional dollars needed to reach sufficiency would your district support?

Increase the percentage of monies from the state general fund earmarked for education.

Potential Problems:

13. What problems, if any, does your district anticipate will arise from the implementation of the proposed funding formula?

Maxwell would continue to need supplemental emergency funding. Small school districts with declining enrollment cannot meet state and federal unfunded mandates.

14. What problems, if any, does your district anticipate will arise if the proposed funding formula is not implemented?

Apparently the district will have a chance at emergency funding with the existing formula and will not have that chance with the proposed formula. Since the proposed formula apparently generates few additional dollars, we are ambivalent.

15. Please feel free to identify any other issues that have not been addressed in these questions that you feel the committee should be aware of.

It is crystal clear to us that the arbitrary 16% special education factor rewards districts below 16% actual sped students and punishes those above.

It is also clear to us that abolition of emergency funding would be a major blow to small districts with declining enrollment.

We assume that the LESC has been disadvantaged, as we have been, by the use of 2006-7 enrollment data to estimate 2009-

2010 fiscal impact. New and current data student enrollment estimates should be used.

Finally, we encourage the LESC to review the highly divergent impact percentage-wise that this formula is projected to have on school districts.

- 16. Do you believe that the EPSS is the appropriate mechanism to tie together budget approval and program delivery? If not, what means would you suggest be used as an alternative to ensure accountability?**

We believe the current EPSS system is acceptable.

**Roy Municipal Schools
LESC Hearing
November 19, 2008**

District Information

RECEIVED
VIA E-MAIL

NOV 17 2008

- 58 Students K-12
- Graduate about 8 to 10 seniors annually
- Major decrease in enrollment currently
- 60.34 % Free/Reduced
- School provides a breakfast and lunch program
- 08/09 Operational budget \$1.4 million
- Currently bonded to capacity
- 20 Full time employees
- 2 Part time employees
- 1 Head Teacher
- 1 business manager, 1 superintendent
- RHS has always made AYP in both Elementary and High School
- Mesa Online Academy- has 57 kids through an MOU process with other districts.

Programs and Services:

1. How will the implementation of the proposed funding formula affect your district's program cost?

Our program cost, for the 08-09 year is \$1,429,607.00. Assuming that the new formula had taken effect at the beginning of the year, with last year's student enrollment of 83 kids, Roy would have had an increase of \$268,557.00, moving us away from emergency funding. As enrollment decreases, the budget will decrease, where as program costs will likely increase resulting in a budget deficit. Example – The 09-10 budget will be built on 58 kids, assuming that last year's program cost's stay about the same, we will have a deficit of (\$54,649.00). If I could stabilize our enrollment at about 85 kids we would fare well. Unfortunately that is probably not going to be the case.

2. How will the implementation of the proposed funding formula impact the educational programs and student services provided by your district?

This new formula will allow us to continue with the programs that we have without cutting additional programs, providing that we will be allowed to request additional emergency funding.

- a) Educational Programs:

- Sustain online program
- Sustain current programs

b) Student Services:

- Sustain current programs

3. Will your district use the additional funding resulting from the implementation of the proposed funding formula to reduce class size? If so, what grades, and how many classrooms would be affected?

Our student teacher ratio is about six students to one teacher. Class size is not a problem. Projections indicate that the student teacher ratio will continue to drop.

4. What other changes might your district consider as a result of additional funding?
A key factor here at Roy is maintaining our current programs with Highly Qualified teachers so that students will receive a solid basic education. It would be nice to implement some art and music, but the additional funds will not be enough to implement those programs.

5. How will your district ensure that it provides all of the following educational programs and services as required in the funding formula bill, as amended, during the session?

- bilingual and multicultural education, including culturally relevant learning environments, educational opportunities, and culturally relevant instructional materials;
- health and wellness, including physical education, athletics, nutrition, and health education;
- career-technical education;
- visual and performing arts and music;
- gifted education, advanced placement, and honors programs;
- special education; and
- distance education.

Assuming that additional funds become available, the district will form a committee to study how the additional funds can be utilized to the maximum benefit of students. The committee will be charged with reviewing any accompanying legislation and current requirements (such as high school redesign). Any gaps/discrepancies/areas of non-compliance will become priorities as the district develops and implements programs utilizing the new funds. The district will also consider local and/or Board priorities and initiatives.

6. To the best of your ability at this time, please fill in the table below to identify the additional state-funded FTE that your district would be able to provide as a result of the implementation of the proposed funding formula:

Personnel	Elementary	Middle	High	Current FTE	Proposed FTE
Teachers					
Principals					
Counselors					
Nurses					
Physical Education Teachers					
Art and Music Teachers					
Social Workers					
Librarians					
Advanced Placement Teachers					
Gifted Education					
Intervention Specialists					
Bilingual Education					
Educational Assistants					
Special Education Teachers (excluding gifted)					
Ancillary and Support Staff					
Maintenance and Operations Staff (including custodians)					
Data Entry Clerks					
Other Central Office Staff					
Other School-based Staff					

Additional FTE is probably not possible. To maintain current staff and programs is more realistic.

Staff Salaries:

The proposed funding formula would replace the current Training and Experience (T&E) Index with the Index of Staff Qualifications (ISQ). Although both indexes are designed to distribute additional funding to districts and charter schools based on the composition of their instructional staff, they are not identical:

- The T&E calculation is based on years of service and academic degrees for all instructional staff but does not reflect the three-tiered licensure system for teachers.

- The ISQ calculation recognizes not only experience and academic degrees but also licensure levels. It was calibrated on the average teacher salaries for each of the three levels and distributes additional dollars based on the proportion of teachers in each of those levels. In addition, there is a second calculation for those instructional staff, such as counselors, who are not included in the three-tiered system. Because the base per-student cost upon which the proposed formula is based already reflects the average salary by personnel category in the average district, the ISQ is applied only to salary costs in a district or charter school that are beyond the average.

7. If you have calculated your district's ISQ using the most recent matrices in the bill (see attachment), how would this factor impact funding for your district?

The ISQ would produce a higher factor for the district and the result would be additional funding that would be generated through ISQ rather than T&E.

Special Education:

8. Currently, how many students in your district have been identified as in need of special education, and what percentage of your district's enrollment does this number represent? **(Do not include gifted students.)**

Number: 11

Percentage: 16%

9. How will the proposed funding formula's utilization of a fixed special education identification rate of 16 percent impact special education funding for your district?

The proposed identification rate is currently the same as the district percentage, so very little impact would be seen. However, I support the fixed identification rate as I believe that proper implementation of RTI and other interventions will reduce the percentage of students identified. The fixed percentage rate allows the district to focus on interventions and provide enhanced gifted programs.

Gifted Education:

10. Currently, how many students in your district have been identified as gifted, and what percentage of your district's enrollment does this number represent?

Number: 1

Percentage: 1%

11. Even though the bill as amended during the session does not require districts to consider students that have been identified as gifted to be in need of special education, it does require that these students be served. How will your district specifically address the needs of students identified as gifted?

The gifted students are currently served in the general education classroom with the special education and general education teachers collaborating to challenge the gifted

student with enrichment activities based on the current curriculum. A fixed special education identification rate and increased overall funding would allow the district to provide activities for those students identified as gifted.

Revenue Sources for Implementation:

12. What revenue sources for the additional dollars needed to reach sufficiency would your district support
 - Increase in the percentage of dollars from the general funds earmarked for public education
 - Increased the state sales tax by 1 cent.
 - Permanent fund – utilize a portion to implement and sustain the funding formula changes

Potential Problems:

13. What problems, if any, does your district anticipate will arise from the implementation of the proposed funding formula?
 - Roy would continue to require emergency funding.
 - Schools under 85 kids will have trouble making budget.
 - Challenges will be greater if districts have limited control on how to use funds. Funds should not be ear marked.
14. What problems, if any, does your district anticipate will arise if the proposed funding formula is not implemented?

At the present time we operate on \$357,000.00 of emergency funds. As enrollment decreases, an increase of emergency funds will be required to sustain the current programs. If the new formula is implemented, our emergency money request would go way down.

15. Please feel free to identify any other issues that have not been addressed in these questions that you feel the committee should be aware of.

Schools that are below 85 kids need to be funded at that level. This would provide about 1.6 million which would provide enough funding so that we could provide additional programs that we have already lost. An enrollment baseline needs to be identified to determine when a school has become too small.

16. Do you believe that the EPSS is the appropriate mechanism to tie together budget approval and program delivery? If not, what means would you suggest be used as an alternative to ensure accountability?

The EPSS is an appropriate document to use in tying budget to program. We are about the business of educating children. NCLB (which could use an overhaul) is already an accountability component that measures schools and districts. The EPSS document articulates what districts will do with funds in an effort to increase academic proficiency and make AYP. I would strongly advise against revision of the EPSS and/or creating an additional system at this time.

State of New Mexico
LEGISLATIVE EDUCATION STUDY COMMITTEE

REPRESENTATIVES

Rick Miera, Chair
Roberto "Bobby" J. Gonzales
Jimmie C. Hall
Mimi Stewart
Thomas E. Swisstack
W. C. "Dub" Williams

State Capitol North, 325 Don Gaspar, Suite 200
Santa Fe, New Mexico 87501
PH: (505) 986-4591 FAX: (505) 986-4338
<http://legis.state.nm.us/lcs/lesc/lescdefault.asp>

SENATORS

Cynthia Nava, Vice Chair
Vernon D. Asbill
Mary Jane M. Garcia
Gay G. Kernan



ADVISORY

Andrew J. Barreras
Ray Begaye
Nathan P. Cote
Nora Espinoza
Mary Helen Garcia
Thomas A. Garcia
Dianne Miller Hamilton
John A. Heaton
Sheryl M. Williams Stapleton
Jim R. Trujillo
Teresa A. Zanetti

ADVISORY

Mark Boitano
Carlos R. Cisneros
Dianna J. Duran
Lynda M. Lovejoy
Howie C. Morales
John Pinto
William E. Sharer

RECEIVED
VIA E-MAIL

NOV 17 2008

D. Pauline Rindone, Ph.D., Director
Frances R. Maestas, Deputy Director

June 19, 2008

MEMORANDUM

TO: Public School District Superintendents

FR: D. Pauline Rindone

RE: PROPOSED FUNDING FORMULA DISCUSSIONS - SAN JON

In April, you received a memorandum from the Legislative Education Study Committee (LESC) inviting you to work with the committee to examine the potential impact of the new public school funding formula that was proposed during the 2008 legislative session. Attachment 1 is a table indicating the meeting at which your district is scheduled to discuss the proposed funding formula with the committee - a meeting agenda with the exact time and date for your presentation will be sent to you prior to that meeting.

At the LESC meeting for which you have been scheduled, LESC staff will present your district's calculator and you will discuss with the committee how the proposed funding formula would affect your school district's operations and its ability to accommodate the needs of your students, as well as other issues related to the proposed funding formula. Hard copies of the calculators for the districts in your group will be available for reference and discussion.

In order to facilitate the discussions, LESC staff, with the assistance of the Public Education Department (PED), have prepared the following questions, which will also be provided to the committee. The questions are a guide to assist you in preparing for your discussions with the committee. We understand that you may or may not be able to have complete answers to some of these questions prior to the meeting; however, it is important that we receive written responses to these questions from each of you. If you are not able to respond immediately, please send a copy of your responses to Peter.vanMoorsel@nmlegis.gov as soon as you are able to gather the information, and please include the name of your district with the responses.

Programs and Services:

San Jon Schools will see a 34% increase or \$676,000 in our district budget. This infusion will allow our district to replace programs/staff that have been cut over the past 15 years due to a decrease in student enrollment and ensuing budget decreases.

San Jon is a rural school district located in eastern New Mexico on I-40 30 miles west of the NM/Texas state line. Our student population has remained fairly flat for the past 3 years at 160 students, pre-kindergarten through 12th grade. After an enrollment of 230 in 1998 the enrollment had declined until 2005 when the decline leveled off. San Jon does not receive emergency funding to operate its school.

1. How will the implementation of the proposed funding formula affect your district's program cost?

San Jon Municipal Schools would see a 34% or \$676,000 increase in program cost with the new funding formula.

2. How will the implementation of the proposed funding formula impact the educational programs and student services provided by your district?

a) Educational Programs:

The district would look to extend the school by one week (4 days) to compensate for the instructional time lost due to state testing. In addition to additional days, the district would look at filling programs and staff previously cut when the budget could not support the programs or staffing that were in place. San Jon would seek to hire two elementary teachers to eliminate the doubling of classes in the elementary; one additional teacher would be added in the middle school to eliminate the doubling of classes there; a mid/high science teacher would also be added to fulfill the science component; San Jon does not offer music, art, or physical education in the elementary and only two periods of physical education, one for middle school and one for high school. We would seek to fill at least two of the three to provide our students with a more rounded education; we would seek to allow the K-12 principal to be full time instead of part-time (currently teaching several classes to reduce middle school doubling up); we would seek a full time or part time K-12 guidance counselor, and if funding allows we would look at a math and/or reading coach to provide classroom support. We would also seek to provide a gifted teacher to meet the needs of our gifted students, perhaps partnering with our REC to provide a part-time teacher. We would seek to expand our dual-credit program, our tutoring program, and implement a credit recovery program

b) Student Services:

If funding allows we would seek to expand our School Based Health Center to provide medical and mental health services. We would like to provide a safety resource officer at least part time, due to the fact that the community no longer has a police officer, and we are located three blocks from the busiest interstate in the nation.

3. Will your district use the additional funding resulting from the implementation of the proposed funding formula to reduce class size? If so, what grades, and how many classrooms would be affected?

The reverse will be our case. Some of our classes may only have small numbers, in some cases, less than 10 students. Because of budget decreases due to the drop in enrollment these smaller classes have been combined, two different grade level classes into one with one teacher. We will seek to provide a teacher for each grade level to eliminate the doubling up. Whether the class has 7 or 27 they deserve to have a teacher dedicated to their grade.

4. What other changes might your district consider as a result of additional funding?

Our primary focus will be personnel additions that will bring our educational programs to sufficiency. If there is money left, we would look at supplementing and enhancing programs, activities, and athletics already in place. Increased on-site professional development dealing with differentiated instruction and data driven decision making as well.

5. How will your district ensure that it provides all of the following educational programs and services as required in the funding formula bill, as amended, during the session?

- bilingual and multicultural education, including culturally relevant learning environments, educational opportunities, and culturally relevant instructional materials;
San Jon does not have a need for a bilingual program but would use funds to enhance programs already in place with appropriate opportunities and materials based on need.
- education;
We would like to add physical education, art, and music to provide a more rounded education for all of our students. We would seek to supplement and enhance education programs that are already in place.
- career-technical education;
We would seek to expand our agricultural and vocational offerings to perhaps include certification in areas where applicable.
- visual and performing arts and music;
We would seek to provide art and music at the elementary and perhaps add an art or music elective at the middle and high school levels. (Currently not offered due to lack of funding.)
- gifted education, advanced placement, and honors programs;
We would seek to add a gifted or part-time gifted teacher at the elementary and secondary level. Currently we do not provide a gifted program; it is supplemented through the regular education curriculum. Advanced placement and honors classes are limited offerings dependant on availability of staff due to schedule constraints.
- special education; and

We would seek to add a special education director, perhaps on a part time basis possibly partnering with our local REC. We will continue to provide and support instructional needs of our special education population.

- distance education.

We will continue to offer and expand our distance education working with the REC and the REC schools.

6. To the best of your ability at this time, please fill in the table below to identify the additional state-funded FTE that your district would be able to provide as a result of the implementation of the proposed funding formula:

Personnel	Elementary	Middle	High	Current FTE	Proposed FTE
Teachers	2.0	1.28	1.0	12.10	16.38
Principals			.28	.72	1.0
Counselors	.33	.33	.34	0	1.0
Nurses	.5			.5	1.0
Physical Education Teachers	.72			.28	1.0
Art and Music Teachers	.50	.25	.25	0	1.0
Social Workers					
Librarians					
Advanced Placement Teachers					
Gifted Education					
Intervention Specialists					
Bilingual Education					
Educational Assistants				6.0	4.0
Special Education Teachers (excluding gifted)				.42	.42
Ancillary and Support Staff				.37	.37
Maintenance and Operations Staff (including custodians)				4.0	4.0
Data Entry Clerks					
Other Central Office Staff				4.0	4.0
Other School-based Staff				2.0	2.0

Accountability:

The legislation introduced during the 2008 session to change the public school funding formula utilizes the Educational Plan for Student Success (EPSS) as the means of ensuring accountability with regard to districts providing a sufficient educational program for all students that includes not only the basic required academic programs, such as reading, writing, and math, but also programs such as bilingual-multicultural education, physical education, arts and music, and gifted programs. In short, PED is required to disapprove any budget for a district or charter school that cannot show in its EPSS that it is offering all required programs.

7. Do you believe that the EPSS is the appropriate mechanism to tie together budget approval and program delivery? If not, what means would you suggest be used as an alternative to ensure accountability?

An additional focus area could be developed to reflect this piece on accountability. San Jon has managed with less than sufficiency and has sacrificed to remain solvent, but the cost to the curriculum and overall academic programs has been extremely detrimental. Our accountability is to our students who have a right to an educational opportunity no more and no less than students in schools that have a teacher for every class, offer physical education, music, art, advanced placement classes, a variety of electives, a guidance counselor, interventionists for reading and math, a gifted program, and a full time principal. We would simply like to have the funding to provide sufficiency and equality for our students. The new funding we would receive would allow us to bring our staffing to a level that would allow us to provide this. Adding approximately six staff plus four extra school days would nearly exhaust the new money being proposed in our budget.

Staff Salaries:

The proposed funding formula would replace the current Training and Experience (T&E) Index with the Index of Staff Qualifications (ISQ). Although both indexes are designed to distribute additional funding to districts and charter schools based on the composition of their instructional staff, they are not identical:

- The T&E calculation is based on years of service and academic degrees for all instructional staff but does not reflect the three-tiered licensure system for teachers.
 - The ISQ calculation recognizes not only experience and academic degrees but also licensure levels. It was calibrated on the average teacher salaries for each of the three levels and distributes additional dollars based on the proportion of teachers in each of those levels. In addition, there is a second calculation for those instructional staff, such as counselors, who are not included in the three-tiered system. Because the base per-student cost upon which the proposed formula is based already reflects the average salary by personnel category in the average district, the ISQ is applied only to salary costs in a district or charter school that are beyond the average.
8. If you have calculated your district's ISQ using the most recent matrices in the bill (see Attachment 2), how would this factor impact funding for your district?

San Jon's calculated ISQ of 1.063 does reward us with additional funding based on experience, degrees, and licensure levels. All of our teachers are highly qualified with a majority of them being level three.

Special Education:

9. Currently, how many students in your district have been identified as in need of special education, and what percentage of your district's enrollment does this number represent? **(Do not include gifted students.)**

Number: 16

Percentage: 11%

10. How will the proposed funding formula's use of a fixed special education identification rate of 16 percent impact special education funding for your district?

At our current rate equaling 11% it would provide some flexibility as well as possible expansion of remedial and specialized programs to meet the needs of this population.

Gifted Education:

11. Currently, how many students in your district have been identified as gifted, and what percentage of your district's enrollment does this number represent?

Number: 4

Percentage: 3 %

12. Even though the bill as amended during the session does not require districts to consider students that have been identified as gifted to be in need of special education, it does require that these students be served. How will your district specifically address the needs of students identified as gifted?

With the new funding we would seek to hire either a full time or part time gifted teacher which would allow us to implement a dedicated gifted program.

Revenue Sources for Implementation:

13. What revenue sources for the additional dollars needed to reach sufficiency would your district support?

The proposed 1% increase in the gross receipts tax would be the most equitable and simple method to raise the necessary funding to reach sufficiency.

Potential Problems:

14. What problems, if any, does your district anticipate will arise from the implementation of the proposed funding formula?

The most difficult problem we will face will be our ability to hire highly qualified teachers to fill the positions we are currently proposing.

15. What problems, if any, does your district anticipate will arise if the proposed funding formula is not implemented?

San Jon will continue to strive to provide a quality education for all of our students. To accomplish this it will require that we add the additional staff necessary, which will in turn require additional funding that may be in the form of emergency supplemental funding.

16. Please feel free to identify any other issues that have not been addressed in these questions that you feel the committee should be aware of.

xc: Legislative Education Study Committee

Springer Municipal School District
Proposed Funding Formula Discussions
November 19, 2008

RECEIVED
VIA E-MAIL

NOV 18 2008

PROGRAMS AND SERVICES:

- How will the implementation of the proposed funding formula affect your district's program cost? Project that we would receive approximately \$300,000 extra that would possibly keep us off emergency funding.
- How will the implementation of the proposed funding formula impact the educational programs and student services provided by your district?
 - a) **Educational Programs:** Basically, I don't see us having any extra monies but if we would it would be used to help fund our after school programs as well as summer school programs. We need these programs to help students improve in their academics. We would also try to expand our arts program as well as possibly initiating a Work Placement Program. We would be able to offer more course offerings such as Fine Arts/ Vocational classes as well as Work Placement Programs. Provide for additional counseling at the elementary school, technology position, and implement a researched based tutorial curriculum at the Mid-school and High School.
 - b) **Student Services:** Once again if we would have any extra monies we would probably add more technology to the classrooms such as Smart Boards and possibly purchase a researched based tutorial program. I don't think we will have enough money to add staff, but if we could it would be for a full-time nurse, full-time counselor. Possible have a health and wellness center, full time school nurse, science lab at the mid-school, more technology in the classrooms such as Smart Boards, after school and Friday school intervention programs, as well as AP classes
- **Will your district use the additional funding results from the implementation of the proposed funding formula to reduce class size? If so, what grades, and how many classrooms would be affected?** Currently, our district is fortunate to have small classes. However, we would work at keeping one class per grade level due to the fact that the teacher can do a better job focusing on one grade level rather than having to prepare lessons for two or three different grade levels. Our classes range from 10 to 18 per grade, so as you can see if we combined the numbers would not be good to ensure appropriate instruction.
- **What other changes might your district consider as a result of additional funding?** We don't foresee an increase and will only be able to continue basic services without supplemental funds. Possibly hire a librarian and technology person as well as pay staff for summer school programs and after school programs.

- **How will your district ensure that it provides all of the following educational programs and services as required in the funding formula bill, as amended, during the session?**
 - a) Bilingual and multicultural education, including relevant learning environments, educational opportunities, and culturally relevant instructional materials; We would not be able to hire extra personnel but we would be sure to offer some professional development in this area as well as utilize some of our teachers who are at least TESOL endorsed to help in this area.
 - b) Health and wellness, including physical education, athletics, nutrition, and health education;
 - ❖ Continue with and enhance the physical education program
 - ❖ Implement a health and wellness center.
 - ❖ Hire a full time nurse
 - c) Career-technical education;
 - ❖ Expand our vocational classes
 - ❖ Implement Work Study Programs
 - d) Visual and performing arts and music;
 - ❖ Continue with the fine arts program at the elementary
 - e) Gifted education, advanced placement, and honors programs;
 - ❖ Provide professional development to teachers to be able to offer AP classes and honors courses
 - f) Special Education;
 - ❖ Provide additional professional development in the area of RTI
 - ❖ Continue the same level of classroom instructional support
 - ❖ Continue to hire ancillary to support the identified needs of our children for example: physical therapist, diagnostician, psychologist, etc.
 - g) Distance Education;
 - ❖ Continue to offer ITV classes as well as utilize IDEAL NM for additional course offerings

To the best of your ability at this time, please fill in the table below to identify the additional state-funded FTE that your district would be able to provide as a result of the implementation of the proposed funding formula:

PERSONNEL	ELEMENTARY SCHOOL	MIDDLE SCHOOL	HIGH SCHOOL	CURRENT FTE	PROPOSED FTE
Teachers	6	3	7	16	
Principals				1.55	
Counselors				1	
Nurses				.5	
Physical Education Teachers					
Art and Music Teachers					
Social Workers					
Librarians Advanced Placement Teachers					
Gifted Education					
Intervention Specialists					
Bilingual Education					
Special Education Teachers (excluding gifted)				2.5	
Ancillary and Support Staff				3	
Maintenance and Operations Staff (including custodians)				4	

Data Entry Clerks					
Other Central Office Staff				2.35	
Other school based staff				2.5	
Totals				34.40	

ACCOUNTABILITY:

The legislation introduced during the 2008 session change the public school funding formula utilizes the Educational Plan for Student Success (EPSS) as the means of ensuring accountability with regard to districts providing a sufficient educational program for all students that includes not only the basic required academic programs, such as reading, writing, and math, but also programs such as bilingual-multicultural education, physical education, arts and music, and gifted programs. In short, PED is required to disapprove any budget for a district or charter school that cannot show in its EPSS that it is offering all required programs.

- **Do you believe that the EPSS is the appropriate mechanism to tie together budget approval and program delivery? If not, what means would you suggest be used as an alternative to ensure accountability?**
I believe that the EPSS would work for this mechanism. The district and individual building EPSS is a clear and concise way to ensure accountability. Having to review on a quarterly basis ensures data is being used for decision making and strategies incorporated allow for research based training and best practices being shared.

STAFF SALARIES:

The proposed funding formula would replace the current Training and Experience (T&E) Index with the Index of Staff Qualifications (ISQ). Although both indexes are designed to distribute additional funding to districts and charter schools based on the composition of their instructional staff, they are not identical:

- The T&E calculation is based on years of service and academic degrees for all instructional staff but does not reflect the three-tiered licensure system for teachers.
- The ISQ calculation recognizes not only experience and academic degrees but also licensure levels. It was calibrated on the average teacher salaries for each of

the three levels and distributes additional dollars based on the proportion of teachers in each of those levels. In addition, there is a second calculation for those instructional staff, such as counselors, who are not included in the three-tiered system. Because the base per-student cost upon which the proposed formula is based already reflects the average salary by personnel category in the average district, the ISQ is applied only to salary costs in a district or charter school that are beyond average.

- If you have calculated your district's ISQ using the most recent matrices in the bill (see attachment), how would this factor impact funding for your district? The ISQ would increase our funding by a small amount.

SPECIAL EDUCATION:

- Currently, how many students in your district have been identified as in need of special education, and what percentage of your district's enrollment does this number represent? (Do not include gifted students)

Number 38

Percentage 19%

- How will the proposed funding formula's utilization of a fixed special education identification rate of 16 percent impact special education funding for your district?

It would have a tremendous affect on our school district. We try to keep our numbers down however, being in a low economic area we tend to have more students identified in this area. We also have a student who physically and mentally limited so I envision the services to this student to cost the district more than the monies we will be allotted.

GIFTED EDUCATION:

- Currently, how many students in your district have been identified as gifted, and what percentage of your district's enrollment does this number represent?

Number 0

Percentage 0

- Even though the bill as amended during the session does not require a district to consider students that have been identified as gifted to be in need of special education, it does require that these students be served. How will your district specifically address the needs to students identified as gifted?

The district would order materials and software to provide more challenging course work for each student since we are unable to hire extra

personnel. We also have IDEAL as another means of offering courses that will challenge these students.

REVENUE SOURCES FOR IMPLEMENTATION:

- **What revenue sources for the additional dollars needed to reach sufficiency would your district support?**
 - ❖ We would support a 1% increase in the State's GRT
 - ❖ The sources identified by the committee

POTENTIAL PROBLEMS:

- **What problems, if any does your district anticipate will arise from the implementation of the proposed funding formula?** If our enrollment continues to decline I am not sure we would have enough money to provide an adequate education to our students.
- **What problems, if any, does your district anticipate will arise if the proposed funding formula is not implemented?** To continue to rely on emergency funding that prevents us from being able to offer basic needs to our students.
- **Please feel free to identify any other issues that have not been addressed in these questions that you feel the committee should be aware of?**

New Mexico Schools with enrollments of less than 150 students will not benefit from this formula and will probably require supplemental funds

xc: Legislative Education Study Committee

State of New Mexico
LEGISLATIVE EDUCATION STUDY COMMITTEE

REPRESENTATIVES

Rick Miera, Chair
Roberto "Bobby" J. Gonzales
Jimmie C. Hall
Mimi Stewart
Thomas E. Swisstack
W. C. "Dub" Williams

State Capitol North, 325 Don Gaspar, Suite 200
Santa Fe, New Mexico 87501
PH: (505) 986-4591 FAX: (505) 986-4338
<http://legis.state.nm.us/lcs/lesc/lescdefault.asp>

SENATORS

Cynthia Nava, Vice Chair
Vernon D. Asbill
Mary Jane M. Garcia
Gay G. Kernan



ADVISORY

Andrew J. Barreras
Ray Begaye
Nathan P. Cote
Nora Espinoza
Mary Helen Garcia
Thomas A. Garcia
Dianne Miller Hamilton
John A. Heaton
Sheryl M. Williams Stapleton
Jim R. Trujillo
Teresa A. Zanetti

ADVISORY

Mark Boitano
Carlos R. Cisneros
Dianna J. Duran
Lynda M. Lovejoy
Howie C. Morales
John Pinto
William E. Sharer

RECEIVED
VIA E-MAIL

NOV 17 2008

D. Pauline Rindone, Ph.D., Director
Frances R. Maestas, Deputy Director

June 19, 2008

MEMORANDUM

TO: Public School District Superintendents

FR: D. Pauline Rindone

RE: PROPOSED FUNDING FORMULA DISCUSSIONS - WAGON MOUND

In April, you received a memorandum from the Legislative Education Study Committee (LESC) inviting you to work with the committee to examine the potential impact of the new public school funding formula that was proposed during the 2008 legislative session. Attachment 1 is a table indicating the meeting at which your district is scheduled to discuss the proposed funding formula with the committee - a meeting agenda with the exact time and date for your presentation will be sent to you prior to that meeting.

At the LESC meeting for which you have been scheduled, LESC staff will present your district's calculator and you will discuss with the committee how the proposed funding formula would affect your school district's operations and its ability to accommodate the needs of your students, as well as other issues related to the proposed funding formula. Hard copies of the calculators for the districts in your group will be available for reference and discussion.

In order to facilitate the discussions, LESC staff, with the assistance of the Public Education Department (PED), have prepared the following questions, which will also be provided to the committee. The questions are a guide to assist you in preparing for your discussions with the committee. We understand that you may or may not be able to have complete answers to some of these questions prior to the meeting; however, it is important that we receive written responses to these questions from each of you. If you are not able to respond immediately, please send a copy of your responses to me as soon as you are able to gather the information, and please include the name of your district with the responses.

Programs and Services:

1. How will the implementation of the proposed funding formula affect your district's program cost?

Our current SEG is approximately \$2.28 million, with the new funding formula we would generate approximately \$2.7 million. In the last four years we have been forced to request emergency funding at an average of \$450,000.00. Since the three tiered teacher salary system began, and we started experiencing a declining enrollment, our district has gone through some tremendous changes; four day week, combining grade levels at the elementary, cutting down staff, and becoming a victim of supplemental emergency funding.

2. How will the implementation of the proposed funding formula impact the educational programs and student services provided by your district?

a) Educational Programs:

It will allow for us to recruit multiple endorsed teachers, thus, increasing the ability to offer electives in the areas of the Arts, Music, and Agricultural Education. It will also help support and finance on-line courses, computer A+ certification, vocational, and concurrent enrollment programs.

b) Student Services:

It will allow for enhancing library services, Pre-K program, Health and P.E. Education in grades K-12. Friday school for students requiring interventions in the core content areas with a certified instructor, and after school tutoring.

3. Will your district use the additional funding resulting from the implementation of the proposed funding formula to reduce class size? If so, what grades, and how many classrooms would be affected?

Our student-teacher ratio is 1:7 district-wide, and reducing class size is not an issue for the district.

4. What other changes might your district consider as a result of additional funding?

The additional funding being considered for the district will not make a significant impact for adding programs. However, it will impact the ability to provide services to students; ancillary, support for on-line, AP, distance education, and other programs offered off-site.

5. How will your district ensure that it provides all of the following educational programs and services as required in the funding formula bill, as amended, during the session?

- bilingual and multicultural education, including culturally relevant learning environments, educational opportunities, and culturally relevant instructional materials;

- health and wellness, including physical education, athletics, nutrition, and health education;
- career-technical education;
- visual and performing arts and music;
- gifted education, advanced placement, and honors programs;
- special education; and
- distance education.

Teaming with the program directors, advisory council, counselor, and staff, will assure that all State and Federal guidelines are being followed and delivered, and that sufficient money is being spent to provide necessary materials, professional development, student travel, student registration fees, etc. for each program.

6. To the best of your ability at this time, please fill in the table below to identify the additional state-funded FTE that your district would be able to provide as a result of the implementation of the proposed funding formula:

Personnel	Elementary	Middle	High	Current FTE	Proposed FTE
Teachers	3		18	21	21.0
Principals	.50		2.0	2.0	2.50
Counselors			1.0	1.0	2.0
Nurses				.50	.5
Physical Education Teachers			2.0	.25	2.25
Art and Music Teachers	.50		.50	1.25	2.25
Social Workers	.25		.25	.14	.50
Librarians	.50		.50	.25	1.25
Advanced Placement Teachers			1.0	0	1.0
Gifted Education	.50		1.00	0	1.5
Intervention Specialists					
Bilingual Education				1.0	1.0
Educational Assistants	1.0			2.50	3.5
Special Education Teachers (excluding gifted)				11.0	11.0
Ancillary and Support Staff	.75		.50	.92	2.17
Maintenance and Operations Staff (including custodians)				3.0	3.0
Data Entry Clerks				2.0	2.0
Other Central Office Staff				4.0	4.0
Other School-based Staff					

Accountability:

The legislation introduced during the 2008 session to change the public school funding formula utilizes the Educational Plan for Student Success (EPSS) as the means of ensuring accountability

with regard to districts providing a sufficient educational program for all students that includes not only the basic required academic programs, such as reading, writing, and math, but also programs such as bilingual-multicultural education, physical education, arts and music, and gifted programs. In short, PED is required to disapprove any budget for a district or charter school that cannot show in its EPSS that it is offering all required programs.

7. Do you believe that the EPSS is the appropriate mechanism to tie together budget approval and program delivery? If not, what means would you suggest be used as an alternative to ensure accountability?

EPSS would be adequate since we are currently using, and familiar with this method of accountability.

Staff Salaries:

The proposed funding formula would replace the current Training and Experience (T&E) Index with the Index of Staff Qualifications (ISQ). Although both indexes are designed to distribute additional funding to districts and charter schools based on the composition of their instructional staff, they are not identical:

- The T&E calculation is based on years of service and academic degrees for all instructional staff but does not reflect the three-tiered licensure system for teachers.
- The ISQ calculation recognizes not only experience and academic degrees but also licensure levels. It was calibrated on the average teacher salaries for each of the three levels and distributes additional dollars based on the proportion of teachers in each of those levels. In addition, there is a second calculation for those instructional staff, such as counselors, who are not included in the three-tiered system. Because the base per-student cost upon which the proposed formula is based already reflects the average salary by personnel category in the average district, the ISQ is applied only to salary costs in a district or charter school that are beyond the average.

8. If you have calculated your district's ISQ using the most recent matrices in the bill (see Attachment 2), how would this factor impact funding for your district?

ISQ would provide a slight decrease; approximately a .10 factor. Currently the majority of our teachers are Level II and Level III teachers with an average of 14 years experience. Therefore, I believe in our situation T&E would benefit our district.

Special Education:

9. Currently, how many students in your district have been identified as in need of special education, and what percentage of your district's enrollment does this number represent? **(Do not include gifted students.)**

At Wagon Mound Schools we have:

Number: 7

Percentage: 9 %

At Valmora High School we have:

Number: 65

Percentage: 100 %

10. How will the proposed funding formula's use of a fixed special education identification rate of 16 percent impact special education funding for your district?

It would be unfair for our district in which we exceed the 16% factor. This is due to the type of students being served at Valmora High School which is considered an RTC especially designed to serve students with special needs; mostly emotionally disturbed students, and is a factor the district can't control.

Gifted Education:

11. Currently, how many students in your district have been identified as gifted, and what percentage of your district's enrollment does this number represent?

Number: _____0_____

Percentage: _____0_____%

12. Even though the bill as amended during the session does not require districts to consider students that have been identified as gifted to be in need of special education, it does require that these students be served. How will your district specifically address the needs of students identified as gifted?

Increased funding would allow for enrichment curriculums such as AP, Plato, to be offered by properly trained providers. It would also enable to the district to provide software, IDEAL-NM classes, and programs such as robotics, materials, and other pertinent support. Field trips such as, Los Alamos Lab, Intel, White Sands, to provide exposure to our students would also be supported.

Revenue Sources for Implementation:

13. What revenue sources for the additional dollars needed to reach sufficiency would your district support?

Increase the percentage of the general fund towards funding schools, and other options as being proposed to the committee, eg. Gross receipts tax increase, and use of permanent fund.

Potential Problems:

14. What problems, if any, does your district anticipate will arise from the implementation of the proposed funding formula?

The ability for the state to sustain increasing costs associated with our economy and financial base, expenditures outweighing our revenues. Also, the available pool of HQ teachers, administrators, specialists, and other professionals in our state would be a concern.

15. What problems, if any, does your district anticipate will arise if the proposed funding formula is not implemented?

Recurring costs of operating a school continues to increase, the unit value increases very little, and available funding is stretched to the maximum. A funding formula based on

enrollment does not generate sufficiency for schools with a decreasing yearly enrollment, and would continue to force our district in requesting Supplemental Emergency Funding at a higher rate every year just to provide a basic educational program for our students.

16. Please feel free to identify any other issues that have not been addressed in these questions that you feel the committee should be aware of.

The issue of mandates to schools without sufficient funding has not been addressed. This places a hardship on schools that are on supplemental emergency funding.

xc: Legislative Education Study Committee

State of New Mexico
LEGISLATIVE EDUCATION STUDY COMMITTEE

REPRESENTATIVES

Rick Miera, Chair
Roberto "Bobby" J. Gonzales
Jimmie C. Hall
Mimi Stewart
Thomas E. Swisstack
W. C. "Dub" Williams

State Capitol North, 325 Don Gaspar, Suite 200
Santa Fe, New Mexico 87501
PH: (505) 986-4591 FAX: (505) 986-4338
<http://legis.state.nm.us/lcs/lesc/lescdefault.asp>

SENATORS

Cynthia Nava, Vice Chair
Vernon D. Asbill
Mary Jane M. Garcia
Gay G. Kernan

ADVISORY

Andrew J. Barreras
Ray Begaye
Nathan P. Cote
Nora Espinoza
Mary Helen Garcia
Thomas A. Garcia
Dianne Miller Hamilton
John A. Heaton
Sheryl M. Williams Stapleton
Jim R. Trujillo
Teresa A. Zanetti



ADVISORY

Mark Boitano
Carlos R. Cisneros
Dianna J. Duran
Lynda M. Lovejoy
Howie C. Morales
John Pinto
William E. Sharer

D. Pauline Rindone, Ph.D., Director
Frances R. Maestas, Deputy Director

June 19, 2008

MEMORANDUM

TO: Public School District Superintendents

FR: D. Pauline Rindone *dp*

RE: PROPOSED FUNDING FORMULA DISCUSSIONS

In April, you received a memorandum from the Legislative Education Study Committee (LESC) inviting you to work with the committee to examine the potential impact of the new public school funding formula that was proposed during the 2008 legislative session. Attachment 1 is a table indicating the meeting at which your district is scheduled to discuss the proposed funding formula with the committee - a meeting agenda with the exact time and date for your presentation will be sent to you prior to that meeting.

At the LESC meeting for which you have been scheduled, LESC staff will present your district's calculator and you will discuss with the committee how the proposed funding formula would affect your school district's operations and its ability to accommodate the needs of your students, as well as other issues related to the proposed funding formula. Hard copies of the calculators for the districts in your group will be available for reference and discussion.

In order to facilitate the discussions, LESC staff, with the assistance of the Public Education Department (PED), have prepared the following questions, which will also be provided to the committee. The questions are a guide to assist you in preparing for your discussions with the committee. We understand that you may or may not be able to have complete answers to some of these questions prior to the meeting; however, it is important that we receive written responses to these questions from each of you. If you are not able to respond immediately, please send a copy of your responses to me as soon as you are able to gather the information, and please include the name of your district with the responses.

Programs and Services:

1. How will the implementation of the proposed funding formula affect your district's program cost?
2. How will the implementation of the proposed funding formula impact the educational programs and student services provided by your district?
 - a) Educational Programs:
 - b) Student Services:
3. Will your district use the additional funding resulting from the implementation of the proposed funding formula to reduce class size? If so, what grades, and how many classrooms would be affected?
4. What other changes might your district consider as a result of additional funding?
5. How will your district ensure that it provides all of the following educational programs and services as required in the funding formula bill, as amended, during the session?
 - bilingual and multicultural education, including culturally relevant learning environments, educational opportunities, and culturally relevant instructional materials;
 - health and wellness, including physical education, athletics, nutrition, and health education;
 - career-technical education;
 - visual and performing arts and music;
 - gifted education, advanced placement, and honors programs;
 - special education; and
 - distance education.

6. To the best of your ability at this time, please fill in the table below to identify the additional state-funded FTE that your district would be able to provide as a result of the implementation of the proposed funding formula:

Personnel	Elementary	Middle	High	Current FTE	Proposed FTE
Teachers					
Principals					
Counselors					
Nurses					
Physical Education Teachers					
Art and Music Teachers					
Social Workers					
Librarians					
Advanced Placement Teachers					
Gifted Education					
Intervention Specialists					
Bilingual Education					
Educational Assistants					
Special Education Teachers (excluding gifted)					
Ancillary and Support Staff					
Maintenance and Operations Staff (including custodians)					
Data Entry Clerks					
Other Central Office Staff					
Other School-based Staff					

Accountability:

The legislation introduced during the 2008 session to change the public school funding formula utilizes the Educational Plan for Student Success (EPSS) as the means of ensuring accountability with regard to districts providing a sufficient educational program for all students that includes not only the basic required academic programs, such as reading, writing, and math, but also programs such as bilingual-multicultural education, physical education, arts and music, and gifted programs. In short, PED is required to disapprove any budget for a district or charter school that cannot show in its EPSS that it is offering all required programs.

7. Do you believe that the EPSS is the appropriate mechanism to tie together budget approval and program delivery? If not, what means would you suggest be used as an alternative to ensure accountability?

Staff Salaries:

The proposed funding formula would replace the current Training and Experience (T&E) Index with the Index of Staff Qualifications (ISQ). Although both indexes are designed to distribute additional funding to districts and charter schools based on the composition of their instructional staff, they are not identical:

- The T&E calculation is based on years of service and academic degrees for all instructional staff but does not reflect the three-tiered licensure system for teachers.
 - The ISQ calculation recognizes not only experience and academic degrees but also licensure levels. It was calibrated on the average teacher salaries for each of the three levels and distributes additional dollars based on the proportion of teachers in each of those levels. In addition, there is a second calculation for those instructional staff, such as counselors, who are not included in the three-tiered system. Because the base per-student cost upon which the proposed formula is based already reflects the average salary by personnel category in the average district, the ISQ is applied only to salary costs in a district or charter school that are beyond the average.
8. If you have calculated your district's ISQ using the most recent matrices in the bill (see Attachment 2), how would this factor impact funding for your district?

Special Education:

9. Currently, how many students in your district have been identified as in need of special education, and what percentage of your district's enrollment does this number represent? **(Do not include gifted students.)**

Number: _____

Percentage: _____%

10. How will the proposed funding formula's use of a fixed special education identification rate of 16 percent impact special education funding for your district?

Gifted Education:

11. Currently, how many students in your district have been identified as gifted, and what percentage of your district's enrollment does this number represent?

Number: _____

Percentage: _____%

12. Even though the bill as amended during the session does not require districts to consider students that have been identified as gifted to be in need of special education, it does require that these students be served. How will your district specifically address the needs of students identified as gifted?

Revenue Sources for Implementation:

13. What revenue sources for the additional dollars needed to reach sufficiency would your district support?

Potential Problems:

14. What problems, if any, does your district anticipate will arise from the implementation of the proposed funding formula?

15. What problems, if any, does your district anticipate will arise if the proposed funding formula is not implemented?

16. Please feel free to identify any other issues that have not been addressed in these questions that you feel the committee should be aware of.

xc: . Legislative Education Study Committee

PROPOSED PUBLIC SCHOOL FUNDING FORMULA: SCHOOL DISTRICTS AND CHARTER SCHOOLS

<i>Location: Roswell</i> May 12-14		<i>Location: Albuquerque</i> June 9-11		<i>Location: Kirtland</i> August 6		<i>Location: Chama</i> September 8-10		<i>Location: Deming</i> October 8-10		<i>Location: Santa Fe</i> November 19-21	
District	MEM	District	MEM	District	MEM	District	MEM	District	MEM	District	MEM
Group 1		Group 1		Group 1		Group 1		Group 1		Group 1	
Artesia	3,548.5	Albuquerque	88,271.5	Central Consolidated	6,614.5	Española	4,309.0	Alamogordo	6,321.0	Albuquerque	88,271.5
Clovis	8,035.0	Los Lunas	8,561.0	Farmington	10,189.5	Taos	2,795.0	Carlsbad	5,905.5	Los Alamos	3,444.0
Hobbs	7,809.5	Rio Rancho	15,577.0	Gallup-McKinley	12,159.0	West Las Vegas	1,703.5	Deming	5,418.0	Pojoaque	2,019.5
Lovington	3,084.0							Gadsden	13,955.5	Raton	1,360.5
Portales	2,773.0							Las Cruces	23,559.5	Ruidoso	2,273.5
Roswell	9,373.5									Santa Fe	12,266.0
										Tucumcari	1,045.0
Group 2		Group 2		Group 2		Group 2		Group 2		Group 2	
Capitan	536.5	Belen	4,749.5	Aztec	3,064.5	Chama	454.0	Cobre	1,396.5	Cimarron	450.0
Cloudcroft	461.0	Bernalillo	3,176.0	Bloomfield	3,096.5	Cuba	695.0	Hatch Valley	1,428.0	Clayton	539.5
Dexter	1,097.0	Estancia	1,005.0	Grants-Cibola	3,698.0	Mesa Vista	437.0	Las Vegas City	2,085.5	Jemez Mountain	343.0
Eunice	570.5	Moriarty	3,590.5	Zuni	1,505.0	Questa	434.5	Silver Consolidated	3,091.5	Logan	231.0
Hagerman	448.0	Socorro	1,722.5					Truth or Consequences	1,392.0	Mora	567.5
Jal	405.0									Pecos	714.0
Loving	570.5									Peñasco	547.5
Texico	526.0									Santa Rosa	654.0
Group 3		Group 3		Group 3				Group 3		Group 3	
Carrizozo	215.5	Corona	84.5	Dulce	691.0			Animas	257.0	Des Moines	94.0
Dora	225.5	Jemez Valley	326.5					Lordsburg	680.0	Maxwell	102.0
Elida	120.5	Magdalena	428.5					Reserve	185.0	Mosquero	38.0
Floyd	243.5	Mountainair	339.0					Tularosa	959.0	Roy	79.0
Fort Sumner	304.5	Quemado	186.0							San Jon	149.5
Grady	121.5									Springer	195.0
Hondo Valley	121.5	Group 4								Vaughn	103.5
House	107.0	Aldo Leopold, Silver City								Wagon Mound	148.5
Lake Arthur	148.0	Creative Ed. Prep. Inst. 1, Albuquerque									
Melrose	208.5	Deming Cesar Chavez, Deming									
Tatum	292.5	Digital Arts & Tech. Acad., Albuquerque									
		El Camino Real, Albuquerque									
		Middle College High School, Gallup									
		Mosaic Academy, Aztec									
		Nuestros Valores, Albuquerque									
		Rio Gallinas School, West Las Vegas									
		Sidney Gutierrez Middle School, Roswell									
		SW Secondary Learning, Albuquerque									
		Taos Charter School, Taos									
		Turquoise Trail, Santa Fe									
		Walatowa, Jemez Pueblo									

NOTE: The district groupings are based on 2007-2008 40-day membership.

**PROPOSED FUNDING FORMULA PROGRAM COST COMPARED TO
2007-2008 OPERATING BUDGET PROGRAM COST PLUS BUDGETED EMERGENCY SUPPLEMENTAL
Santa Fe, NM: Group 2**

	CIMARRON	CLAYTON	JEMEZ MTN.	LOGAN	MORA	PECOS	PENASCO	SANTA ROSA	
1 Cost Factor Values									1
2 •Percent Free/Reduced Lunch	50.1%	60.3%	82.6%	73.7%	83.5%	73.6%	85.1%	85.8%	2
3 •Percent English Learners	0.0%	0.0%	60.1%	1.6%	15.7%	73.6%	37.2%	32.0%	3
4 •Percent Special Education (Census-based)	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	4
5 •Percent Mobility	15.0%	10.1%	6.1%	20.3%	12.9%	14.9%	10.4%	19.1%	5
6 •Enrollment Share in Grades 6-8	25.3%	24.6%	32.1%	23.6%	21.9%	25.5%	27.3%	21.8%	6
7 •Enrollment Share in Grades 9-12	27.7%	28.2%	28.6%	31.9%	35.7%	26.7%	32.8%	31.0%	7
8 •Total District Enrollment	450.0	538.5	341.0	237.0	601.5	746.5	592.5	664.0	8
9									9
10 Individual Formula Adjustments									10
11 <u>Student Needs</u>									11
12 •Free/Reduced Lunch	1.165	1.194	1.253	1.230	1.256	1.230	1.260	1.261	12
13 •English Learners	1.000	1.000	1.045	1.001	1.014	1.053	1.030	1.026	13
14 •Special Education	1.291	1.291	1.291	1.291	1.291	1.291	1.291	1.291	14
15 •Mobility	1.027	1.019	1.015	1.036	1.023	1.027	1.019	1.034	15
16 <u>Grade Composition</u>									16
17 •Grades 6-8	1.004	1.003	1.020	1.000	0.996	1.005	1.009	0.996	17
18 •Grades 9-12	0.978	0.980	0.982	0.997	1.014	0.973	1.001	0.993	18
19 <u>Scale (Enrollment)</u>									19
20 •Scale	1.406	1.352	1.500	1.643	1.321	1.264	1.325	1.294	20
21									21
22 Combined Adjustments									22
23 •Student Needs (all factors multiplied by each other)	1.544	1.570	1.717	1.648	1.682	1.717	1.708	1.728	23
24 •Grade Composition (all factors multiplied by each other)	0.982	0.983	1.002	0.997	1.011	0.978	1.011	0.989	24
25 •Scale	1.406	1.352	1.500	1.643	1.321	1.264	1.325	1.294	25
26 Overall Adjustment (Combined Student Needs x Grade Composition x Scale)	2.132	2.086	2.579	2.700	2.245	2.123	2.287	2.213	26
27									27
28 Base Per-Pupil Cost	\$5,106	\$5,106	\$5,106	\$5,106	\$5,106	\$5,106	\$5,106	\$5,106	28
29 x Overall Adjustment	2.132	2.086	2.579	2.700	2.245	2.123	2.287	2.213	29
30 Initial Sufficient Per-Pupil Cost	\$10,887	\$10,652	\$13,169	\$13,786	\$11,464	\$10,839	\$11,674	\$11,299	30
31									31
32 x ISQ Formula Adjustment	1.023	1.000	1.000	1.053	1.000	1.003	1.027	1.000	32
33 Final Projected Sufficient Per-Pupil Cost	\$11,142	\$10,652	\$13,169	\$14,511	\$11,464	\$10,875	\$11,993	\$11,299	33
34									34
35 x Total District Enrollment	450.0	538.5	341.0	237.0	601.5	746.5	592.5	664.0	35
36 Final Projected Sufficient Total (Program) Cost	\$5,013,890	\$5,736,152	\$4,490,475	\$3,439,040	\$6,895,689	\$8,117,972	\$7,106,084	\$7,502,663	36
37									37
38 Actual Program Cost (2007-2008 Operating Budget)	\$4,493,040	\$4,623,583	\$3,553,218	\$2,377,975	\$5,323,448	\$8,121,696	\$5,568,425	\$6,386,984	38
39 + Emergency Supplemental	\$0	\$0	\$96,115	\$179,784	\$0	\$0	\$0	\$0	39
40 2007-2008 Total Program Cost & Emergency Supplemental	\$4,493,040	\$4,623,583	\$3,649,333	\$2,557,759	\$5,323,448	\$8,121,696	\$5,568,425	\$6,386,984	40
41									41
42 Total Marginal Sufficiency Cost = Final Projected Sufficient Total (Program) Cost on line 36 - 2007-2008 Total on line 40	\$520,850	\$1,112,570	\$841,141	\$881,281	\$1,572,241	(\$3,724)	\$1,537,659	\$1,115,678	42
43									43
44 Percent Increase/Decrease	11.6%	24.1%	23.0%	34.5%	29.5%	0.0%	27.6%	17.5%	44

DISTRICT CALCULATOR 2007-08

1 - Choose District (Use Pull-Down Menu Below)

CIMARRON

User Input Cost Factors

	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Total District Enrollment
User Input Cost Factor Values	50.1%	0.0%	16.0%	15.0%	25.3%	27.7%	450

Cost Factors

	Student Needs				Grade Composition		Scale	
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Enrollment-Linear	Enrollment-Quadratic
Coefficients	0.375	0.094	1.723	0.190	0.291	0.608	-0.575	0.029
Transformed Demographic Values	1.501	1.000	1.160	1.150	1.253	1.277	450	1.62E+16
Individual Formula Adjustments	1.165	1.000	1.291	1.027	1.004	0.978	1.406	
Combined Student Needs Adjustment	1.544							
Combined Grade Composition Adjustment					0.982			
Combined Scale Adjustment							1.406	
Overall Adjustment (Combined Student Needs/ Grade Composition/Scale)	2.132							
Base Per-Pupil Cost	\$5,106							
Initial Sufficient Per-Pupil Cost	\$10,887							
ISQ Formula Adjustment	1.023							
Final Projected Sufficient Per-Pupil Cost	\$11,142							
Final Projected Sufficient Total Cost	\$5,013,890							
Actual Program Cost	\$4,493,040							
Emergency Supplemental	\$0							
Total Marginal Sufficiency Cost (Equals Final Projected Sufficient Total Cost - Actual Program Cost - Emergency Supplemental)	\$520,850							
Hold-Harmless Projected Sufficient Total Cost	\$5,013,890							
Percent Difference Between Actual Program Cost/Emergency Supplemental and Hold-Harmless Projected Sufficient Total Cost	11.6%							

DISTRICT CALCULATOR 2007-08
1 - Choose District (Use Pull-Down Menu Below)
JEMEZ MOUNTAIN
User Input Cost Factors

	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Total District Enrollment
User Input Cost Factor Values	82.6%	60.1%	16.0%	8.1%	32.1%	28.6%	341

Cost Factors

	Student Needs				Grade Composition		Scale	
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Enrollment-Linear	Enrollment-Quadratic
Coefficients	0.375	0.094	1.723	0.190	0.291	0.608	-0.575	0.029
Transformed Demographic Values	1.826	1.601	1.160	1.081	1.321	1.286	341	5.90.E+14
Individual Formula Adjustments	1.253	1.045	1.291	1.015	1.020	0.982	1.500	
Combined Student Needs Adjustment	1.717							
Combined Grade Composition Adjustment					1.002			
Combined Scale Adjustment							1.500	
Overall Adjustment (Combined Student Needs/ Grade Composition/Scale)					2.579			
Base Per-Pupil Cost					\$5,106			
Initial Sufficient Per-Pupil Cost					\$13,169			
ISQ Formula Adjustment					1.000			
Final Projected Sufficient Per-Pupil Cost					\$13,169			
Final Projected Sufficient Total Cost					\$4,490,475			
Actual Program Cost					\$3,553,218			
Emergency Supplemental					\$96,115			
Total Marginal Sufficiency Cost (Equals Final Projected Sufficient Total Cost - Actual Program Cost - Emergency Supplemental)					\$841,141			
Hold-Harmless Projected Sufficient Total Cost					\$4,490,475			
Percent Difference Between Actual Program Cost/Emergency Supplemental and Hold-Harmless Projected Sufficient Total Cost					23.0%			

DISTRICT CALCULATOR 2007-08

1 - Choose District (Use Pull-Down Menu Below)

LOGAN

	User Input Cost Factors						
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Total District Enrollment
User Input Cost Factor Values	73.7%	1.6%	16.0%	20.3%	23.6%	31.9%	237

	Cost Factors							
	Student Needs				Grade Composition		Scale	
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Enrollment-Linear	Enrollment-Quadratic
Coefficients	0.375	0.094	1.723	0.190	0.291	0.608	-0.575	0.029
Transformed Demographic Values	1.737	1.016	1.160	1.203	1.236	1.319	237	9.67.E+12
Individual Formula Adjustments	1.230	1.001	1.291	1.036	1.000	0.997	1.643	
Combined Student Needs Adjustment	1.648							
Combined Grade Composition Adjustment					0.997			
Combined Scale Adjustment							1.643	
Overall Adjustment (Combined Student Needs/Grade Composition/Scale)	2.700							
Base Per-Pupil Cost	\$5,106							
Initial Sufficient Per-Pupil Cost	\$13,786							
ISQ Formula Adjustment	1.053							
Final Projected Sufficient Per-Pupil Cost	\$14,511							
Final Projected Sufficient Total Cost	\$3,439,040							
Actual Program Cost	\$2,377,975							
Emergency Supplemental	\$179,784							
Total Marginal Sufficiency Cost (Equals Final Projected Sufficient Total Cost - Actual Program Cost - Emergency Supplemental)	\$881,281							
Hold-Harmless Projected Sufficient Total Cost	\$3,439,040							
Percent Difference Between Actual Program Cost/Emergency Supplemental and Hold-Harmless Projected Sufficient Total Cost	34.5%							

DISTRICT CALCULATOR 2007-08

1 - Choose District (Use Pull-Down Menu Below)

MORA

User Input Cost Factors

Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Total District Enrollment
83.5%	15.7%	16.0%	12.9%	21.9%	35.7%	602

Cost Factors

	Student Needs				Grade Composition		Scale	
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Enrollment-Linear	Enrollment-Quadratic
Coefficients	0.375	0.094	1.723	0.190	0.291	0.608	-0.575	0.029
Transformed Demographic Values	1.835	1.157	1.160	1.129	1.219	1.357	601.5	6.10.E+17
Individual Formula Adjustments	1.256	1.014	1.291	1.023	0.996	1.014	1.321	
Combined Student Needs Adjustment	1.682							
Combined Grade Composition Adjustment					1.011			
Combined Scale Adjustment							1.321	
Overall Adjustment (Combined Student Needs/ Grade Composition/Scale)	2.245							
Base Per-Pupil Cost	\$5,106							
Initial Sufficient Per-Pupil Cost	\$11,464							
ISQ Formula Adjustment	1.000							
Final Projected Sufficient Per-Pupil Cost	\$11,464							
Final Projected Sufficient Total Cost	\$6,895,689							
Actual Program Cost	\$5,323,448							
Emergency Supplemental	\$0							
Total Marginal Sufficiency Cost (Equals Final Projected Sufficient Total Cost - Actual Program Cost - Emergency Supplemental)	\$1,572,241							
Hold-Harmless Projected Sufficient Total Cost	\$6,895,689							
Percent Difference Between Actual Program Cost/Emergency Supplemental and Hold-Harmless Projected Sufficient Total Cost	29.5%							

DISTRICT CALCULATOR 2007-08
1 - Choose District (Use Pull-Down Menu Below)
PECOS
User Input Cost Factors

	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Total District Enrollment
User Input Cost Factor Values	73.6%	73.6%	16.0%	14.9%	25.5%	26.7%	747

Cost Factors

	Student Needs				Grade Composition		Scale	
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Enrollment-Linear	Enrollment-Quadratic
Coefficients	0.375	0.094	1.723	0.190	0.291	0.608	-0.575	0.029
Transformed Demographic Values	1.736	1.736	1.160	1.149	1.255	1.267	746.5	1.01.E+19
Individual Formula Adjustments	1.230	1.053	1.291	1.027	1.005	0.973	1.264	
Combined Student Needs Adjustment	1.717							
Combined Grade Composition Adjustment					0.978			
Combined Scale Adjustment							1.264	
Overall Adjustment (Combined Student Needs/Grade Composition/Scale)					2.123			
Base Per-Pupil Cost					\$5,106			
Initial Sufficient Per-Pupil Cost					\$10,839			
ISQ Formula Adjustment					1.003			
Final Projected Sufficient Per-Pupil Cost					\$10,875			
Final Projected Sufficient Total Cost					\$8,117,972			
Actual Program Cost					\$8,121,696			
Emergency Supplemental					\$0			
Total Marginal Sufficiency Cost (Equals Final Projected Sufficient Total Cost - Actual Program Cost - Emergency Supplemental)					(\$3,724)			
Hold-Harmless Projected Sufficient Total Cost					\$8,121,696			
Percent Difference Between Actual Program Cost/Emergency Supplemental and Hold-Harmless Projected Sufficient Total Cost					0.0%			

DISTRICT CALCULATOR 2007-08
1 - Choose District (Use Pull-Down Menu Below)
PENASCO
User Input Cost Factors

	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Total District Enrollment
User Input Cost Factor Values	85.1%	37.2%	16.0%	10.4%	27.3%	32.8%	593

Cost Factors

	Student Needs				Grade Composition		Scale	
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Enrollment-Linear	Enrollment-Quadratic
Coefficients	0.375	0.094	1.723	0.190	0.291	0.608	-0.575	0.029
Transformed Demographic Values	1.851	1.372	1.160	1.104	1.273	1.328	592.5	5.03.E+17
Individual Formula Adjustments	1.260	1.030	1.291	1.019	1.009	1.001	1.325	
Combined Student Needs Adjustment	1.708							
Combined Grade Composition Adjustment					1.011			
Combined Scale Adjustment							1.325	
Overall Adjustment (Combined Student Needs/Grade Composition/Scale)					2.287			
Base Per-Pupil Cost					\$5,106			
Initial Sufficient Per-Pupil Cost					\$11,674			
ISQ Formula Adjustment					1.027			
Final Projected Sufficient Per-Pupil Cost					\$11,993			
Final Projected Sufficient Total Cost					\$7,106,084			
Actual Program Cost					\$5,568,425			
Emergency Supplemental					\$0			
Total Marginal Sufficiency Cost (Equals Final Projected Sufficient Total Cost - Actual Program Cost - Emergency Supplemental)					\$1,537,659			
Hold-Harmless Projected Sufficient Total Cost					\$7,106,084			
Percent Difference Between Actual Program Cost/Emergency Supplemental and Hold-Harmless Projected Sufficient Total Cost					27.6%			

DISTRICT CALCULATOR 2007-08
1 - Choose District (Use Pull-Down Menu Below)
SANTA ROSA
User Input Cost Factors

	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Total District Enrollment
User Input Cost Factor Values	85.8%	32.0%	16.0%	19.1%	21.8%	31.0%	664

Cost Factors

	Student Needs				Grade Composition		Scale	
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Enrollment-Linear	Enrollment-Quadratic
Coefficients	0.375	0.094	1.723	0.190	0.291	0.608	-0.575	0.029
Transformed Demographic Values	1.858	1.320	1.160	1.191	1.218	1.310	664	2.18.E+18
Individual Formula Adjustments	1.261	1.026	1.291	1.034	0.996	0.993	1.294	
Combined Student Needs Adjustment	1.728							
Combined Grade Composition Adjustment					0.989			
Combined Scale Adjustment							1.294	
Overall Adjustment (Combined Student Needs/ Grade Composition/Scale)					2.213			
Base Per-Pupil Cost					\$5,106			
Initial Sufficient Per-Pupil Cost					\$11,299			
ISQ Formula Adjustment					1.000			
Final Projected Sufficient Per-Pupil Cost					\$11,299			
Final Projected Sufficient Total Cost					\$7,502,663			
Actual Program Cost					\$6,386,984			
Emergency Supplemental					\$0			
Total Marginal Sufficiency Cost (Equals Final Projected Sufficient Total Cost - Actual Program Cost - Emergency Supplemental)					\$1,115,678			
Hold-Harmless Projected Sufficient Total Cost					\$7,502,663			
Percent Difference Between Actual Program Cost/Emergency Supplemental and Hold-Harmless Projected Sufficient Total Cost					17.5%			

RECEIVED
VIA E-MAIL
NOV 17 2008

The Cimarron Municipal Schools District

Cimarron Municipal Schools District covers over 1,400 square miles in northeastern New Mexico. The approximately 520 students attend Elementary and Middle School in Eagle Nest and Cimarron as well as Cimarron High School and Moreno Valley Charter High School in Angel Fire. Students live in the communities of Cimarron, Eagle Nest, Angel Fire, Black Lake and many rural areas beyond. Students are served as far north as Vermejo Park (7 miles from the Colorado border) and as far south as Black Lake. Cimarron Municipal Schools District serves residents of the Eagle Nest Reintegration Center located in the Cimarron Canyon.

New Funding Formula Legislation

Cimarron Municipal Schools District is requesting the passage of legislation implementing the funding formula proposed by the Funding Formula Task Force. Sufficient funding is necessary for us to continue to meet the educational needs of the whole child. (healthy, safe, engaged, supported and challenged)

Programs and Services:

1. How will the implementation of the proposed funding formula affect your district's program cost?

An increase of approximately \$500,000 would allow the district to more fully meet the cost of educating the whole child. (healthy, safe, engaged, supported and challenged) Cimarron Municipal Schools would be able to hire in addition to our current staff, the following positions: Counselor, elementary music, part time nurse, technology specialist, social worker, and a bilingual teacher.

2. How will the implementation of the proposed funding formula impact the educational programs and student services provided by your district?

It can be difficult for small rural districts to recruit and retain highly qualified teachers. Implementation of the funding formula will help us to meet the needs of our students and stay competitive with larger urban districts. Cimarron will be able to increase academic and social services to students. We can increase teacher training so that more teachers are qualified to teach advanced placement and pre advanced placement. We will be able to hire highly qualified staff for afterschool academic and physical education programs.

3. Will your district use the additional funding resulting from the implementation of the proposed funding formula to reduce class size? If so, what grades, and how many classrooms would be affected?

We do not need to reduce class size. We need to have the ability to offer a broader and expanded curriculum.

4. What other changes might your district consider as a result of additional funding?

With an additional counselor/social worker we would be able to expand student support programs. Opportunities for expanded co-curricular activities would benefit students in all grade levels.

5. How will your district ensure that it provides all of the following educational programs and services as required in the funding formula bill, as amended, during the session?

A solid accountability plan that utilizes the current Educational Plan for Student Success (EPSS).

6. To the best of your ability at this time, please fill in the table below to identify the additional state-funded FTE that your district would be able to provide as a result of the implementation of the proposed funding formula:

PERSONNEL	ELEMENTARY SCHOOL	MIDDLE SCHOOL	HIGH SCHOOL	CURRENT FTE	PROPOSED FTE
TEACHERS	11.75	9.5	6.84	28.09	31.09
PRINCIPALS	1	1	1	3	3
COUNSELORS	.33	.33	.33	1	2
NURSES	.33	.33	.33	1	1.5
PHYSICAL ED TEACHERS	1	1	.28	2.28	3
ART & MUSIC TEACHERS	.93	.93	1.14	2.28	3
SOCIAL WORKERS			.55	1	
LIBRARIANS				1	
ADVANCED PLACEMENT TEACHERS			.57	.57	1
GIFTED EDUCATION					
INTERVENTION SPECIALISTS					
BILINGUAL EDUCATION	1			1	2
EDUCATIONAL ASSISTANTS	3	3	4	10	10
SPECIAL EDUCATION TEACHERS (EXCLUDING GIFTED)	2	2	2	6	6
ANCILLARY & SUPPORT STAFF	.875	.875		1.75	1.75
MAINTENANCE & OPERATIONS STAFF (INCLUDING CUSTODIANS)	2	2	3	7	7
DATA ENTRY CLERKS				.25	.25
OTHER CENTRAL OFFICE STAFF				3	3
OTHER SCHOOL-BASED STAFF					

Accountability:

The legislation introduced during the 2008 session to change the public school funding formula utilizes the Educational Plan for Student Success (EPSS) as the means of ensuring accountability with regard to districts providing a sufficient educational program for all students that includes not only the basic required academic programs, such as reading, writing, and math, but also programs such as bilingual-multicultural education, physical education, arts and music, and gifted programs. In short, PED is required to disapprove any budget for a district or charter school that cannot show in its EPSS that it is offering all required programs.

7. Do you believe that the EPSS is the appropriate mechanism to tie together budget approval and program delivery? If not, what means would you suggest be used as an alternative to ensure accountability?

The district and individual building EPSS is not only appropriate but a clear, concise way to ensure accountability. Having to review on a quarterly basis ensures data is being used for decision making and strategies incorporated allow for researched based training and best practices being shared.

Staff Salaries:

The proposed funding formula would replace the current Training and Experience (T&E) Index with the Index of Staff Qualifications (ISQ). Although both indexes are designed to distribute additional funding to districts and charter schools based on the composition of their instructional staff, they are not identical:

- The T&E calculation is based on years of service and academic degrees for all instructional staff but does not reflect the three-tiered licensure system for teachers.
- The ISQ calculation recognizes not only experience and academic degrees but also licensure levels. It was calibrated on the average teacher salaries for each of the three levels and distributes additional dollars based on the proportion of teachers in each of those levels. In addition, there is a second calculation for those instructional staff, such as counselors, who are not included in the three-tiered system. Because the base per-student cost upon which the proposed formula is based already reflects the average salary by personnel category in the average district, the ISQ is applied only to salary costs in a district or charter school that are beyond the average.

8. If you have calculated your district's ISQ using the most recent matrices in the bill (see Attachment 2), how would this factor impact funding for your district?

In a small district we would like a system that rewards the "multi-hat" teacher. We need a teacher that is highly qualified in five subjects not one teaching the same subject five different times.

Special Education:

9. Currently, how many students in your district have been identified as in need of special education, and what percentage of your district's enrollment does this number represent? (Do not include gifted students.)

Number: 80

Percentage: 15.38 %

10. How will the proposed funding formula's use of a fixed special education identification rate of 16 percent impact special education funding for your district?

There will be little or no change. We have implemented and will continue to meet student needs with the Student Assistance Team Process.

Gifted Education:

11. Currently, how many students in your district have been identified as gifted, and what percentage of your district's enrollment does this number represent?

Number: 4 Percentage: >1 %

12. Even though the bill as amended during the session does not require districts to consider students that have been identified as gifted to be in need of special education, it does require that these students be served. How will your district specifically address the needs of students identified as gifted?

We will continue with the Individual Educational Plan for gifted students.

Revenue Sources for Implementation:

13. What revenue sources for the additional dollars needed to reach sufficiency would your district support?

The district supports at least 50% of the general fund be allocated to education, that a set % of the interest from the permanent fund be used for education.

Potential Problems:

14. What problems, if any, does your district anticipate will arise from the implementation of the proposed funding formula?

N/A

15. What problems, if any, does your district anticipate will arise if the proposed funding formula is not implemented?

Our district will continue to struggle to meet the needs of the whole child. The geographical size and distances between campuses will continue to pose financial challenges. The recruitment and retention of highly qualified teachers becomes more and more difficult each year. Staff for Cimarron is stretched thin with four members serving all 3 campuses. Two hours of instructional time is lost each day due to teacher travel. Cimarron's ability to provide experiential learning opportunities would be greatly impacted without an increase in funding. Students will be provided with fewer field trips. Already small supply and materials budgets will need to be sacrificed to pay for other increasing costs.

16. Please feel free to identify any other issues that have not been addressed in these questions that you feel the committee should be aware of.

The implementation of the proposed funding formula would insure that the Cimarron Municipal Schools District will meet the needs of the whole child.

State of New Mexico

LEGISLATIVE EDUCATION STUDY COMMITTEE

REPRESENTATIVES

Rick Miera, Chair
Roberto "Bobby" J. Gonzales
Jimmie C. Hall
Mimi Stewart
Thomas E. Swisstack
W. C. "Dub" Williams

State Capitol North, 325 Don Gaspar, Suite 200
Santa Fe, New Mexico 87501
PH: (505) 986-4591 FAX: (505) 986-4338
<http://legis.state.nm.us/lcs/lesc/lescdefault.asp>

SENATORS

Cynthia Nava, Vice Chair
Vernon D. Asbill
Mary Jane M. Garcia
Gay G. Kernan



ADVISORY

Andrew J. Barreras
Ray Begaye
Nathan P. Cote
Nora Espinoza
Mary Helen Garcia
Thomas A. Garcia
Dianne Miller Hamilton
John A. Heaton
Sheryl M. Williams Stapleton
Jim R. Trujillo
Teresa A. Zanetti

ADVISORY

Mark Boitano
Carlos R. Cisneros
Dianna J. Duran
Lynda M. Lovejoy
Howie C. Morales
John Pinto
William E. Sharer

RECEIVED
VIA E-MAIL

NOV 16 2008

D. Pauline Rindone, Ph.D., Director
Frances R. Maestas, Deputy Director

June 19, 2008

MEMORANDUM

TO: Public School District Superintendents

FR: D. Pauline Rindone

RE: PROPOSED FUNDING FORMULA DISCUSSIONS - LOGAN

In April, you received a memorandum from the Legislative Education Study Committee (LESC) inviting you to work with the committee to examine the potential impact of the new public school funding formula that was proposed during the 2008 legislative session. Attachment 1 is a table indicating the meeting at which your district is scheduled to discuss the proposed funding formula with the committee - a meeting agenda with the exact time and date for your presentation will be sent to you prior to that meeting.

At the LESC meeting for which you have been scheduled, LESC staff will present your district's calculator and you will discuss with the committee how the proposed funding formula would affect your school district's operations and its ability to accommodate the needs of your students, as well as other issues related to the proposed funding formula. Hard copies of the calculators for the districts in your group will be available for reference and discussion.

In order to facilitate the discussions, LESC staff, with the assistance of the Public Education Department (PED), have prepared the following questions, which will also be provided to the committee. The questions are a guide to assist you in preparing for your discussions with the committee. We understand that you may or may not be able to have complete answers to some of these questions prior to the meeting; however, it is important that we receive written responses to these questions from each of you. If you are not able to respond immediately, please send a copy of your responses to me as soon as you are able to gather the information, and please include the name of your district with the responses.

Honorable members of the Legislative Education Study Committee:

Thank you for this opportunity to describe how the students of Logan Schools would benefit from implementation of the proposed funding formula. Let me tell you a little about my district.

The Logan Municipal School District serves approximately 237 students in one elementary school, one middle school, one high school, and one pre-k school in Logan, New Mexico which is located near the best warm water lake in New Mexico, Ute Lake.

I am proud to say that Logan has made Average Yearly Progress since its inception. And our high school has been recognized by U.S. News and Report as one of the top schools (a bronze medal award) over the past two years.

Our FY 2009 operational program cost is approximately \$2,763,000. If the legislature enacts the proposed funding formula with full funding, we anticipate that our operational program cost would increase by about \$900,000 more than we currently have in our operational budget.

With this funding, the Logan School District will be able to provide the constitutionally required "sufficient education" that our students deserve. Additionally, we would not have to beg the PED for supplemental funding as we have had to do over the past few years. In the following questionnaire, we will detail how we would accomplish this. Please contact me for any clarifications you desire.

Doug Hulce, Superintendent
Logan Municipal School District
(575) 487-2252

Programs and Services:

1. How will the implementation of the proposed funding formula affect your district's program cost?

We estimate that Logan Schools would see an increase of approximately \$900,000. Our SEG would increase from our current level of \$2,763,000 to a new level of approximately \$3,440,493.

2. How will the implementation of the proposed funding formula impact the educational programs and student services provided by your district?

a) Educational Programs:

Logan School's Educational Programs would be the primary beneficiary of the proposed funding formula. Enhancements to existing programs would include:

We could increase the number of days that we provide education to our students. Four additional days of instruction at Logan schools would cost approximately \$70,000.00 additional dollars.

We could provide increased before, after, and summer school programs. We currently have a 21st Century Grant where we have provided after school programs which has been very popular with our students, parents, and community. We were not funded for 2009-10 school year. We will try and continue these programs, but it will be very difficult if the new funding formula efforts are not successful unless we can find another grant opportunity.

We could hire a new position (Fine Arts/Music Position) to our current staff which has been a priority of our staff and students alike according to recent budget surveys.

We could provide enhanced tutoring for those students exhibiting difficulties in their classes for whatever reasons.

We could provide academic and career technical coaches that could monitor and improve instruction in their areas. We need a part FTE Instructional Coordinator/Coach that can monitor our programs and make recommendations to administrators regarding changes in curriculum strategies that would have an immediate impact for student success.

Additional resources would allow us to hire more certified substitute teachers to replace our staff when they are sick or have to be away for professional development.

We would like to develop a parent support section in our library with a variety of resource materials for parents to assist them with discipline, academic practice materials at home and other valuable resources. Also, a resource area for teachers and paraprofessional staff to use in their classroom or on their own time as a means of self professional development.

ELEMENTARY SCHOOL ENHANCEMENTS:

We could provide academic and career technical coaches that could monitor and improve instruction in their areas. Our staff have indicated they would like to initiate Reading Recovery, Reading First or other research based programs to enhance our student performance in this very critical area.

We could also hire a certified Title I teacher which has been a goal for many years, but we have not have sufficient resources through our current funding in this program.

One of our goals is to provide a separate computer lab for our elementary students so they do not have to compete with mid or high school students for used of the computer lab.

SECONDARY SCHOOL ENHANCEMENTS:

We can provide more classes suited to individual student needs.

We could provide academic and career technical coaches that could monitor and improve instruction in all areas.

We could revive and revamp our career/technical education programs and create a meaningful relationship with Mesa Lands Technical College providing greater opportunities for our students.

We could provide a greater variety of distance education programs than our current system allows.

We could provide a selection of advanced placement classes by enhancing our distance ed. programs and providing more opportunities for our staff to become prepared to teach advanced placement through appropriate professional development opportunities.

b) Student Services:

Student Services are also of critical importance to our students' success. The proposed funding formula would enable us to enhance our Student Services in the following ways:

Health care services could be improved by adding a full time nurse so that we would have licensed nurses at each school. We presently have a .5 FTE School Nurse, but even in our small student population we have serious health issues especially with diabetes. We need a full FTE nurse which will be of great benefit to our students and staff. A full time nurse will also provide considerable insulation from potential law suits.

Technology services are not an option in public schools today. We need to provide more time and professional development opportunities for our technology coordinator to maintain our computers and technology network infrastructure.

Extra- and co- curricular programs also play an essential role in helping students succeed academically. The additional funding would help Logan Schools provide these services to our students by helping meet the additional costs unique to a rural district.

There are 10 School Districts on the East side that are members of REC #6. We would like to combine more of our financial resources made available to us through the new funding formula so we can take greater advantage of our REC and their ability to provide flexibility for our rural and isolated districts. Examples we have thought of are as follows: Math and reading consultants, educational specialist to handle sped and federal programs. With all the rules and regulations is very hard for teacher and ancillary staff to stay up on all the changes we are constantly being bombarded with. We have already accomplished some very positive directions for professional development through the REC. But, by combining our resources we can greatly impact the quality and quantity of professional development opportunities for our staff so they don't have to travel such extensive distances for essential current content knowledge. Combining our resources for everything from technology to the constantly growing reporting requirements for our staff makes our

teachers more proficient and makes perfect use of our local educational cooperative for all our benefit.

Additional resources through a funding would allow us to hire non-certified staff to handle tasks such as concession stands and other duties associated with sporting events and extra-curricular activities which currently uses valuable certified staff time.

2. Will your district use the additional funding resulting from the implementation of the proposed funding formula to reduce class size? If so, what grades, and how many classrooms would be affected? Very unlikely, because our current student to teacher ratio is only about 14 students to 1 teacher. Over the years our student population has declined considerably. However, we do occasionally need additional paraprofessional assistance in our elementary classrooms to meet the proper code requirements.

4. What other changes might your district consider as a result of additional funding?

We will improve our building security as well as custodial and maintenance with addition of one more custodial maintenance staff position. I believe it is safe to say that the size of our building complex has more doubled over the past 10 years

5. How will your district ensure that it provides all of the following educational programs and services as required in the funding formula bill, as amended, during the session?
 - bilingual and multicultural education, including culturally relevant learning environments, educational opportunities, and culturally relevant instructional materials;
 - health and wellness, including physical education, athletics, nutrition, and health education;
 - career-technical education;
 - visual and performing arts and music;
 - gifted education, advanced placement, and honors programs;
 - special education; and
 - distance education.

The Logan School District does and will meet the needs of its students to the best of its ability limited only by resources. With implementation of the funding formula, the District will be better able to meet all the needs of our students including the items listed above. The \$900,000 increase will primarily be utilized to enhance our student programs and services.

6. To the best of your ability at this time, please fill in the table below to identify the additional state-funded FTE that your district would be able to provide as a result of the implementation of the proposed funding formula:

Personnel	Elementary	Middle	High	Current FTE	Proposed FTE
Teachers	6.0	4.25	8.0	18.25	22.0
Principals	0.33	0.33	0.33	1.0	1.25
Counselors	0.33	0.33	0.33	1.0	1.25
Nurses	0.00	0.00	0.0	1.0	1.0
Physical Education Teachers					1.0
Art and Music Teachers					1.0
Social Workers					0.25
Librarians	0.0			.33	1.0
Advanced Placement Teachers					
Gifted Education	0.0	0.0	0.0	0.0	0.0
Intervention Specialists	0.0	0.0	0.0	0.0	2.0
Bilingual Education	0.0	0.0	0.0	0.0	0.25
Educational Assistants					
Special Education Teachers (excluding gifted)	0.0	0.0	0.0	0.0	0.0
Ancillary and Support Staff	0.0	0.0	0.0	0.0	3.0
Maintenance and Operations Staff (including custodians)	.0	.0	0.0	5.0	6.0
Data Entry Clerks					
Other Central Office Staff				3.5	4.0
Other School-based Staff					3.0

Accountability:

The legislation introduced during the 2008 session to change the public school funding formula utilizes the Educational Plan for Student Success (EPSS) as the means of ensuring accountability with regard to districts providing a sufficient educational program for all students that includes not only the basic required academic programs, such as reading, writing, and math, but also programs such as bilingual-multicultural education, physical education, arts and music, and

gifted programs. In short, PED is required to disapprove any budget for a district or charter school that cannot show in its EPSS that it is offering all required programs.

7. Do you believe that the EPSS is the appropriate mechanism to tie together budget approval and program delivery? If not, what means would you suggest be used as an alternative to ensure accountability?

The Logan Municipal School District will meet and exceed any accountability the legislature desires. The EPSS seems to us to be a good and economical method of ensuring accountability. Any accountability standard should include audit to ensure compliance. Logan Schools is a member of the Northern Network and our executive director Carlos Atencio is heading up a task force to bring our administrators and EPSS Coordinators together to create a new EPSS format which will be friendly, meaningful, and ensure the best means of accountability for all concerned

Staff Salaries:

The proposed funding formula would replace the current Training and Experience (T&E) Index with the Index of Staff Qualifications (ISQ). Although both indexes are designed to distribute additional funding to districts and charter schools based on the composition of their instructional staff, they are not identical:

- The T&E calculation is based on years of service and academic degrees for all instructional staff but does not reflect the three-tiered licensure system for teachers.
 - The ISQ calculation recognizes not only experience and academic degrees but also licensure levels. It was calibrated on the average teacher salaries for each of the three levels and distributes additional dollars based on the proportion of teachers in each of those levels. In addition, there is a second calculation for those instructional staff, such as counselors, who are not included in the three-tiered system. Because the base per-student cost upon which the proposed formula is based already reflects the average salary by personnel category in the average district, the ISQ is applied only to salary costs in a district or charter school that are beyond the average.
7. If you have calculated your district's ISQ using the most recent matrices in the bill (see Attachment 2), how would this factor impact funding for your district?

Our ISQ computes to 1.053, which provides less funding than the T and E index. However, this still seems fair to us in ensuring that

districts like ours that took management steps in the past to maximize training and experience in teaching staff can afford the resulting salaries. We interpreted that this was the will of the legislature and so we complied. Without the ISQ Logan Schools would not be able to meet the intent of the proposed funding formula and additional school improvements as we perceive them at this point.

Special Education:

9. Currently, how many students in your district have been identified as in need of special education, and what percentage of your district's enrollment does this number represent? **(Do not include gifted students.)**

Number: 35 Percentage: 15%

10. How will the proposed funding formula's use of a fixed special education identification rate of 16 percent impact special education funding for your district?

Sixteen percent standard funding for special education makes good sense to us as a means of funding special education in New Mexico. Implementing this would end the speculation that districts place students in special education to increase funding as opposed to the beneficial needs of the student. When compared with national average of fourteen percent this seems to be a generous method. We anticipate that implementing a standard rate of funding special education would not affect our ability to provide special education services to our students.

Gifted Education:

11. Currently, how many students in your district have been identified as gifted, and what percentage of your district's enrollment does this number represent?

Number: 0 Percentage: 0 %

12. Even though the bill as amended during the session does not require districts to consider students that have been identified as gifted to be in need of special education, it does

require that these students be served. How will your district specifically address the needs of students identified as gifted?

With implementation of the funding formula, should any students be identified as gifted we would hire the necessary FTE to serve the students.

Revenue Sources for Implementation:

13. What revenue sources for the additional dollars needed to reach sufficiency would your district support?

The Logan School District would support any and all reasonable revenue sources as a means to implementation of the proposed funding formula and therefore provide sufficient revenue streams to provide a sufficient education for our students. We would be extremely happy if we are not placed in the unpleasant position of requesting emergency supplemental funding in the future as our current plight requires. We would have to take a hard look at our position regarding a new funding formula if the money is not there to support the new framework. This could be a very scary scenario especially for those of us on emergency supplemental funding.

Potential Problems:

14. What problems, if any, does your district anticipate will arise from the implementation of the proposed funding formula?

The Logan School District anticipates very few problems with the implementation of the proposed funding formula as long as there is assurance that every five years, or so, that someone takes a look to see if the model still fits the need of our schools and students in the Land of Enchantment. I'm not requesting a million dollar study as we have just experienced, but perhaps another round of hearings like the LESC is currently doing with local school districts to provide additional assurance that are working well. We will very likely have difficulty finding HQ personnel to fill all the desired positions we have listed in our proposal.

15. What problems, if any, does your district anticipate will arise if the proposed funding formula is not implemented?

The Logan School District will meet the needs of its students to the best of its ability, but will continue to struggle with very limited resources until the new funding formula is implemented. With implementation of the funding formula, the district will be in a much better position to meet all needs of our students including the items listed above. Also, as the percentage of our SEG used for salaries and benefits approaches 90%, a big problem we currently face is the lack of district funds for basic maintenance and upkeep of our facilities and upgrades to our facilities. When that percentage was about 80%, the district was able to manage cash in such a way to handle basic maintenance and upkeep of facilities and capital projects that occur over the years such as roofing projects. Fiscal management of this nature is no longer an option when the remaining 10% of the budget, after salaries and benefits, goes to instructional materials and supplies, student travel, staff training, utilities, and some maintenance supplies and materials. Consequently, the district uses SB-9/Two Mill Levy funds to purchase basic maintenance supplies instead of capital projects as intended by those who vote in our community for support of our local school initiatives.

16. Please feel free to identify any other issues that have not been addressed in these questions that you feel the committee should be aware of.

I want the taxpayers and the legislature to know that I appreciate everything that you have done to support education in New Mexico, and in the Logan School District in particular.

I also want you to know that I feel that I would not be doing my job as Superintendent if I did not do everything that I could to ensure that all of my students receive their constitutionally mandated "sufficient education." It is my sincere belief that to provide this sufficient education, we need to fund schools at the level and with the distribution described by the Funding Formula Task Force Study.

I know that you will do everything that you can to support this funding, and rest assured, that I will do everything I can to ensure this funding and distribution is implemented.

Thank you for this opportunity to provide input to the committee.

XC: Legislative Education Study Committee

Santa Rosa Consolidated Schools LESC Survey

RECEIVED
VIA E-MAIL

NOV 17 2008

Programs and Services:

1. How will the implementation of the proposed funding formula affect your district's program cost?

The school district will be able to maintain its current level of instruction without having to resort to a reduction in force. The district will also be able to add additional staff to further enhance our programs. Additional funds will allow district to provide for student needs and positively impact student achievement.

2. How will the implementation of the proposed funding formula impact the educational programs and student services provided by your district?

a) Educational Programs:

The district hopes to add a reading specialist to help improve reading scores. A second librarian will also be added. Currently one district librarian serves four school, although the district does have a full-time library aide at each of four school sites. Data entry person will assist each school with STARS data entry to more efficiently use enter data.

b) Student Services:

The district has a universal free breakfast and lunch program. The district has been supplementing this program with operational dollars for several years. Without operational dollars the district would not be able to offer the breakfast/lunch program to all students. Increased cafeteria costs have exceeded the money being generated through Student Nutrition.

The district will also be able to maintain others services for students without having to cutback. Those would include but are not limited to activity programs, afterschool programs, field trips, student travel, student organizations.

3. Will your district use the additional funding resulting from the implementation of the proposed funding formula to reduce class size? If so, what grades, and how many classrooms would be affected?

Our school district already has low pupil teacher ratio and we follow statutory class size requirements. We will look at hiring a reading specialist for the elementary schools.

4. What other changes might your district consider as a result of additional funding?

Other changes would be made on the recommendation of the district's budget committee which meets during the spring as a part of the district budget process. School board and administration input would also be solicited. The budget committee has parent representation for each school and student participation.

5. How will your district ensure that it provides all of the following educational programs and services as required in the funding formula bill, as amended, during the session?

- bilingual and multicultural education, including culturally relevant learning environments, educational opportunities, and culturally relevant instructional materials;

Our district currently has a bilingual program at all our schools for all students. There are one, two and three hour programs in effect based on student need.

- health and wellness, including physical education, athletics, nutrition, and health education;

The district has a wellness policy. For the last two years we have also had a state funded elementary school PE program. Our district also has a School Based Health Center for all students. The center is housed at the high school and is in its fourth year of operation. The district also has dental care providers for students in Santa Rosa and Anton Chico.

- career-technical education;

The district has concurrent enrollment classes with Luna Community College. Classes are provided on site for high school students. The district also has an active FFA program for middle and high school students as well as a BPA program for high school students. The district would like to expand offerings in the career-technical area.

- visual and performing arts and music;

The district has an elementary school art program. This year a chorus class was added at the high school. The district provides a band program for students between the fifth and twelfth grades (elementary, middle and high school). The district has a fulltime band instructor/director.

- gifted education, advanced placement, and honors programs;

The district is looking at expanding the gifted programs. Schools are being encouraged to make referrals to the gifted program. The high school does have an honors program. We are in the process of expanding our gifted program, but find that students would rather take concurrent enrollment classes because they are assured of getting college credit by getting a passing grade instead of getting

college credit for advanced placement classes only if they get a certain score on an exam. The district will be revising its honor program for the 2009-10 school year.

- special education; and

The district special education program has full inclusion for its students. Programs are designed to meet the needs of individual student IEP's.

- distance education.

The district has had a fiber optics delivered program with Clovis Community College for fifteen years. All fees and books are paid for by the school district. The district also has an agreement with Luna Community College. The district has a fulltime aide monitor/proctor the students enrolled in distance learning and has a distance learning lab. A laptop computer is provided for each student enrolled in distance learning.

6. To the best of your ability at this time, please fill in the table below to identify the additional state-funded FTE that your district would be able to provide as a result of the implementation of the proposed funding formula:

Personnel	Elementary	Middle	High	Current FTE	Proposed FTE
Teachers	6.24	6.89	9.42	22.55	
Principals	1.50	1.50	1.00	4.00	
Counselors	.50	.50	1.00	2.00	
Nurses	.50	.30	.20	1.00	
Physical Education Teachers	1.40	.68	.57	2.65	
Art and Music Teachers	.14	1.07	.79	2.00	
Social Workers	.40	.30	.30	1.00	
Librarians	.30	.30	.40	1.00	1.0
Advanced Placement Teachers	0.00	0.00	.28	.28	.5
Gifted Education	0.00	.030	.09	.12	
Intervention Specialists					
Bilingual Education	14.00	3.00	02.57	19.57	
Educational Assistants	4.00	4.00	1.00	9.00	
Special Education Teachers (excluding gifted)	3.00	1.47	2.41	6.88	
Ancillary and Support Staff	1.84	1.84	1.84	5.52	
Maintenance and Operations Staff (including custodians)	3.50	4.00	3.50	11.00	.5
Data Entry Clerks	0.00	0.00	0.00	0.00	.5

Personnel	Elementary	Middle	High	Current FTE	Proposed FTE
Other Central Office Staff				7.93	
Other School-based Staff	5.4	9.2	5.13	19.73	

We have included the proposed new personnel in the proposed FTE column. The other columns include the current district personnel. The Proposed FTE would only be hired if there is an increase in funding.

Staff Salaries:

The proposed funding formula would replace the current Training and Experience (T&E) Index with the Index of Staff Qualifications (ISQ). Although both indexes are designed to distribute additional funding to districts and charter schools based on the composition of their instructional staff, they are not identical:

- The T&E calculation is based on years of service and academic degrees for all instructional staff but does not reflect the three-tiered licensure system for teachers.
- The ISQ calculation recognizes not only experience and academic degrees but also licensure levels. It was calibrated on the average teacher salaries for each of the three levels and distributes additional dollars based on the proportion of teachers in each of those levels. In addition, there is a second calculation for those instructional staff, such as counselors, who are not included in the three-tiered system. Because the base per-student cost upon which the proposed formula is based already reflects the average salary by personnel category in the average district, the ISQ is applied only to salary costs in a district or charter school that are beyond the average.

7. If you have calculated your district's ISQ using the most recent matrices in the bill (see attachment), how would this factor impact funding for your district?

Our district has not used the ISQ to determine how it will impact funding for next year. We have had a few retirements over the last couple of years which has resulted in a large number of level one teachers being hired by our district.

Special Education:

8. Currently, how many students in your district have been identified as in need of special education, and what percentage of your district's enrollment does this number represent? **(Do not include gifted students.)**

Number: _____71_____

Percentage: _____11_____%

9. How will the proposed funding formula's utilization of a fixed special education identification rate of 16 percent impact special education funding for your district?

Our district Special Education participation rate has always been below the 16% rate and we do not anticipate being effected by it.

Gifted Education:

10. Currently, how many students in your district have been identified as gifted, and what percentage of your district's enrollment does this number represent?

Number: _____4_____

Percentage: _____1_____%

11. Even though the bill as amended during the session does not require districts to consider students that have been identified as gifted to be in need of special education, it does require that these students be served. How will your district specifically address the needs of students identified as gifted?

Students identified for the gifted program will have an IEP. The IEP will determine the needs of the students. Last year we had a high school senior in the gifted program attend UNM on a full-time basis for the entire school year based on her IEP. The student graduated with her class as valedictorian.

Revenue Sources for Implementation:

12. What revenue sources for the additional dollars needed to reach sufficiency would your district support?

To a large extent this will be determined by the current state of the local, state and national economies. Because our school district is in a low economic area we would hope that any increases in additional dollars would come from the state and federal governments.

Potential Problems:

13. What problems, if any, does your district anticipate will arise from the implementation of the proposed funding formula?

Again, the state of the economy will dictate this to a large extent. We would hope that the public would view any increases in funding for schools as an investment in the future rather than just throwing more money at the problem.

14. What problems, if any, does your district anticipate will arise if the proposed funding formula is not implemented?

Increases in fixed costs, energy, fuel, cafeteria food, insurances, etc., will lead to a decrease in services to students if additional funds are not provided. The extent of those decreases will be dictated by economic conditions and the amount of money provided for public education.

15. Please feel free to identify any other issues that have not been addressed in these questions that you feel the committee should be aware of.

The biggest disparity that I see that has not been addressed is the large disparity among schools in the area of SB 9. There is a huge disparity in funding for schools in this area. The state match does somewhat help in this area, however, some districts get vastly disproportionate amount of money compared to other district. In this respect where you live does impact the amount of money received under SB 9. I would advocate for an equalization formula for the SB 9 funds.

State of New Mexico
LEGISLATIVE EDUCATION STUDY COMMITTEE

REPRESENTATIVES

Rick Miera, Chair
Roberto "Bobby" J. Gonzales
Jimmie C. Hall
Mimi Stewart
Thomas E. Swisstack
W. C. "Dub" Williams

State Capitol North, 325 Don Gaspar, Suite 200
Santa Fe, New Mexico 87501
PH: (505) 986-4591 FAX: (505) 986-4338
<http://legis.state.nm.us/lcs/lesc/lescdefault.asp>

SENATORS

Cynthia Nava, Vice Chair
Vernon D. Asbill
Mary Jane M. Garcia
Gay G. Kernan

ADVISORY

Andrew J. Barreras
Ray Begaye
Nathan P. Cote
Nora Espinoza
Mary Helen Garcia
Thomas A. Garcia
Dianne Miller Hamilton
John A. Heaton
Sheryl M. Williams Stapleton
Jim R. Trujillo
Teresa A. Zanetti



ADVISORY

Mark Boitano
Carlos R. Cisneros
Dianna J. Duran
Lynda M. Lovejoy
Howie C. Morales
John Pinto
William E. Sharer

D. Pauline Rindone, Ph.D., Director
Frances R. Maestas, Deputy Director

June 19, 2008

MEMORANDUM

TO: Public School District Superintendents

FR: D. Pauline Rindone *dp*

RE: PROPOSED FUNDING FORMULA DISCUSSIONS

In April, you received a memorandum from the Legislative Education Study Committee (LESC) inviting you to work with the committee to examine the potential impact of the new public school funding formula that was proposed during the 2008 legislative session. Attachment 1 is a table indicating the meeting at which your district is scheduled to discuss the proposed funding formula with the committee - a meeting agenda with the exact time and date for your presentation will be sent to you prior to that meeting.

At the LESC meeting for which you have been scheduled, LESC staff will present your district's calculator and you will discuss with the committee how the proposed funding formula would affect your school district's operations and its ability to accommodate the needs of your students, as well as other issues related to the proposed funding formula. Hard copies of the calculators for the districts in your group will be available for reference and discussion.

In order to facilitate the discussions, LESC staff, with the assistance of the Public Education Department (PED), have prepared the following questions, which will also be provided to the committee. The questions are a guide to assist you in preparing for your discussions with the committee. We understand that you may or may not be able to have complete answers to some of these questions prior to the meeting; however, it is important that we receive written responses to these questions from each of you. If you are not able to respond immediately, please send a copy of your responses to me as soon as you are able to gather the information, and please include the name of your district with the responses.

Programs and Services:

1. How will the implementation of the proposed funding formula affect your district's program cost?
2. How will the implementation of the proposed funding formula impact the educational programs and student services provided by your district?
 - a) Educational Programs:
 - b) Student Services:
3. Will your district use the additional funding resulting from the implementation of the proposed funding formula to reduce class size? If so, what grades, and how many classrooms would be affected?
4. What other changes might your district consider as a result of additional funding?
5. How will your district ensure that it provides all of the following educational programs and services as required in the funding formula bill, as amended, during the session?
 - bilingual and multicultural education, including culturally relevant learning environments, educational opportunities, and culturally relevant instructional materials;
 - health and wellness, including physical education, athletics, nutrition, and health education;
 - career-technical education;
 - visual and performing arts and music;
 - gifted education, advanced placement, and honors programs;
 - special education; and
 - distance education.

6. To the best of your ability at this time, please fill in the table below to identify the additional state-funded FTE that your district would be able to provide as a result of the implementation of the proposed funding formula:

Personnel	Elementary	Middle	High	Current FTE	Proposed FTE
Teachers					
Principals					
Counselors					
Nurses					
Physical Education Teachers					
Art and Music Teachers					
Social Workers					
Librarians					
Advanced Placement Teachers					
Gifted Education					
Intervention Specialists					
Bilingual Education					
Educational Assistants					
Special Education Teachers (excluding gifted)					
Ancillary and Support Staff					
Maintenance and Operations Staff (including custodians)					
Data Entry Clerks					
Other Central Office Staff					
Other School-based Staff					

Accountability:

The legislation introduced during the 2008 session to change the public school funding formula utilizes the Educational Plan for Student Success (EPSS) as the means of ensuring accountability with regard to districts providing a sufficient educational program for all students that includes not only the basic required academic programs, such as reading, writing, and math, but also programs such as bilingual-multicultural education, physical education, arts and music, and gifted programs. In short, PED is required to disapprove any budget for a district or charter school that cannot show in its EPSS that it is offering all required programs.

7. Do you believe that the EPSS is the appropriate mechanism to tie together budget approval and program delivery? If not, what means would you suggest be used as an alternative to ensure accountability?

Staff Salaries:

The proposed funding formula would replace the current Training and Experience (T&E) Index with the Index of Staff Qualifications (ISQ). Although both indexes are designed to distribute additional funding to districts and charter schools based on the composition of their instructional staff, they are not identical:

- The T&E calculation is based on years of service and academic degrees for all instructional staff but does not reflect the three-tiered licensure system for teachers.
 - The ISQ calculation recognizes not only experience and academic degrees but also licensure levels. It was calibrated on the average teacher salaries for each of the three levels and distributes additional dollars based on the proportion of teachers in each of those levels. In addition, there is a second calculation for those instructional staff, such as counselors, who are not included in the three-tiered system. Because the base per-student cost upon which the proposed formula is based already reflects the average salary by personnel category in the average district, the ISQ is applied only to salary costs in a district or charter school that are beyond the average.
8. If you have calculated your district's ISQ using the most recent matrices in the bill (see Attachment 2), how would this factor impact funding for your district?

Special Education:

9. Currently, how many students in your district have been identified as in need of special education, and what percentage of your district's enrollment does this number represent? **(Do not include gifted students.)**

Number: _____

Percentage: _____%

10. How will the proposed funding formula's use of a fixed special education identification rate of 16 percent impact special education funding for your district?

Gifted Education:

11. Currently, how many students in your district have been identified as gifted, and what percentage of your district's enrollment does this number represent?

Number: _____

Percentage: _____%

12. Even though the bill as amended during the session does not require districts to consider students that have been identified as gifted to be in need of special education, it does require that these students be served. How will your district specifically address the needs of students identified as gifted?

Revenue Sources for Implementation:

13. What revenue sources for the additional dollars needed to reach sufficiency would your district support?

Potential Problems:

14. What problems, if any, does your district anticipate will arise from the implementation of the proposed funding formula?
15. What problems, if any, does your district anticipate will arise if the proposed funding formula is not implemented?
16. Please feel free to identify any other issues that have not been addressed in these questions that you feel the committee should be aware of.

xc: . Legislative Education Study Committee

PROPOSED PUBLIC SCHOOL FUNDING FORMULA: SCHOOL DISTRICTS AND CHARTER SCHOOLS

<i>Location: Roswell</i> May 12-14		<i>Location: Albuquerque</i> June 9-11		<i>Location: Kirtland</i> August 6		<i>Location: Chama</i> September 8-10		<i>Location: Deming</i> October 8-10		<i>Location: Santa Fe</i> November 19-21	
District	MEM	District	MEM	District	MEM	District	MEM	District	MEM	District	MEM
Group 1		Group 1		Group 1		Group 1		Group 1		Group 1	
Artesia	3,548.5	Albuquerque	88,271.5	Central Consolidated	6,614.5	Española	4,309.0	Alamogordo	6,321.0	Albuquerque	88,271.5
Clovis	8,035.0	Los Lunas	8,561.0	Farmington	10,189.5	Taos	2,795.0	Carlsbad	5,905.5	Los Alamos	3,444.0
Hobbs	7,809.5	Rio Rancho	15,577.0	Gallup-McKinley	12,159.0	West Las Vegas	1,703.5	Deming	5,418.0	Pojoaque	2,019.5
Lovington	3,084.0							Gadsden	13,955.5	Raton	1,360.5
Portales	2,773.0							Las Cruces	23,559.5	Ruidoso	2,273.5
Roswell	9,373.5									Santa Fe	12,266.0
										Tucumcari	1,045.0
Group 2		Group 2		Group 2		Group 2		Group 2		Group 2	
Capitan	536.5	Belen	4,749.5	Aztec	3,064.5	Chama	454.0	Cobre	1,396.5	Cimarron	450.0
Cloudcroft	461.0	Bernalillo	3,176.0	Bloomfield	3,096.5	Cuba	695.0	Hatch Valley	1,428.0	Clayton	539.5
Dexter	1,097.0	Estancia	1,005.0	Grants-Cibola	3,698.0	Mesa Vista	437.0	Las Vegas City	2,085.5	Jemez Mountain	343.0
Eunice	570.5	Moriarty	3,590.5	Zuni	1,505.0	Questa	434.5	Silver Consolidated	3,091.5	Logan	231.0
Hagerman	448.0	Socorro	1,722.5					Truth or Consequences	1,392.0	Mora	567.5
Jal	405.0									Pecos	714.0
Loving	570.5									Peñasco	547.5
Texico	526.0									Santa Rosa	654.0
Group 3		Group 3		Group 3				Group 3		Group 3	
Carrizozo	215.5	Corona	84.5	Dulce	691.0			Animas	257.0	Des Moines	94.0
Dora	225.5	Jemez Valley	326.5					Lordsburg	680.0	Maxwell	102.0
Elida	120.5	Magdalena	428.5					Reserve	185.0	Mosquero	38.0
Floyd	243.5	Mountainair	339.0					Tularosa	959.0	Roy	79.0
Fort Sumner	304.5	Quemado	186.0							San Jon	149.5
Grady	121.5									Springer	195.0
Hondo Valley	121.5	Group 4								Vaughn	103.5
House	107.0	Aldo Leopold, Silver City								Wagon Mound	148.5
Lake Arthur	148.0	Creative Ed. Prep. Inst. 1, Albuquerque									
Melrose	208.5	Deming Cesar Chavez, Deming									
Tatum	292.5	Digital Arts & Tech. Acad., Albuquerque									
		El Camino Real, Albuquerque									
		Middle College High School, Gallup									
		Mosaic Academy, Aztec									
		Nuestros Valores, Albuquerque									
		Rio Gallinas School, West Las Vegas									
		Sidney Gutierrez Middle School, Roswell									
		SW Secondary Learning, Albuquerque									
		Taos Charter School, Taos									
		Turquoise Trail, Santa Fe									
		Walatowa, Jemez Pueblo									

NOTE: The district groupings are based on 2007-2008 40-day membership.

**PROPOSED FUNDING FORMULA PROGRAM COST COMPARED TO
2007-2008 OPERATING BUDGET PROGRAM COST PLUS BUDGETED EMERGENCY SUPPLEMENTAL
Santa Fe, NM: Group 1**

	ALBUQUERQUE	LOS ALAMOS	POJOAQUE	RATON	RUIDOSO	SANTA FE	TUCUMCARI	
1 Cost Factor Values								1
2 •Percent Free/Reduced Lunch	50.4%	0.0%	55.2%	55.0%	57.4%	60.7%	83.5%	2
3 •Percent English Learners	16.3%	2.7%	35.5%	19.2%	11.1%	34.3%	4.7%	3
4 •Percent Special Education (Census-based)	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	4
5 •Percent Mobility	36.6%	7.8%	8.9%	17.2%	22.0%	21.8%	23.2%	5
6 •Enrollment Share in Grades 6-8	22.5%	24.1%	25.0%	23.8%	25.0%	21.8%	22.4%	6
7 •Enrollment Share in Grades 9-12	27.1%	33.5%	33.8%	26.7%	28.8%	23.6%	28.1%	7
8 •Total District Enrollment	87,226.5	3,578.0	1,988.5	1,437.5	2,282.0	12,158.0	1,070.5	8
9								9
10 Individual Formula Adjustments								10
11 <u>Student Needs</u>								11
12 •Free/Reduced Lunch	1.165	1.000	1.179	1.179	1.185	1.195	1.256	12
13 •English Learners	1.014	1.003	1.029	1.017	1.010	1.028	1.004	13
14 •Special Education	1.291	1.291	1.291	1.291	1.291	1.291	1.291	14
15 •Mobility	1.061	1.014	1.016	1.031	1.038	1.038	1.040	15
16 <u>Grade Composition</u>								16
17 •Grades 6-8	0.998	1.002	1.004	1.001	1.004	0.996	0.997	17
18 •Grades 9-12	0.975	1.004	1.006	0.973	0.983	0.959	0.980	18
19 <u>Scale (Enrollment)</u>								19
20 •Scale	0.955	0.999	1.073	1.126	1.053	0.916	1.183	20
21								21
22 Combined Adjustments								22
23 •Student Needs (all factors multiplied by each other)	1.620	1.313	1.593	1.595	1.606	1.647	1.694	23
24 •Grade Composition (all factors multiplied by each other)	0.973	1.006	1.010	0.974	0.986	0.955	0.977	24
25 •Scale	0.955	0.999	1.073	1.126	1.053	0.916	1.183	25
26 Overall Adjustment (Combined Student Needs x Grade Composition x Scale)	1.505	1.320	1.725	1.750	1.668	1.441	1.958	26
27								27
28 Base Per-Pupil Cost	\$5,106	\$5,106	\$5,106	\$5,106	\$5,106	\$5,106	\$5,106	28
29 x Overall Adjustment	1.505	1.320	1.725	1.750	1.668	1.441	1.958	29
30 Initial Sufficient Per-Pupil Cost	\$7,683	\$6,738	\$8,809	\$8,934	\$8,517	\$7,356	\$9,999	30
31								31
32 x ISQ Formula Adjustment	1.000	1.016	1.000	1.000	1.046	1.000	1.000	32
33 Final Projected Sufficient Per-Pupil Cost	\$7,683	\$6,846	\$8,809	\$8,934	\$8,911	\$7,356	\$9,999	33
34								34
35 x Total District Enrollment	87,226.5	3,578.0	1,988.5	1,437.5	2,282.0	12,158.0	1,070.5	35
36 Final Projected Sufficient Total (Program) Cost	\$670,162,438	\$24,493,701	\$17,517,384	\$12,842,309	\$20,335,020	\$89,436,711	\$10,703,861	36
37								37
38 Actual Program Cost (2007-2008 Operating Budget)	\$612,909,090	\$26,359,322	\$14,011,547	\$10,829,403	\$17,671,966	\$78,335,242	\$8,144,763	38
39 + Emergency Supplemental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	39
40 2007-2008 Total Program Cost & Emergency Supplemental	\$612,909,090	\$26,359,322	\$14,011,547	\$10,829,403	\$17,671,966	\$78,335,242	\$8,144,763	40
41								41
42 Total Marginal Sufficiency Cost = Final Projected Sufficient Total (Program) Cost on line 36 - 2007-2008 Total on line 40	\$57,253,348	(\$1,865,621)	\$3,505,837	\$2,012,906	\$2,663,054	\$11,101,469	\$2,559,098	42
43								43
44 Percent Increase/Decrease	9.3%	-7.1%	25.0%	18.6%	15.1%	14.2%	31.4%	44

DISTRICT CALCULATOR 2007-08

1 - Choose District (Use Pull-Down Menu Below)

ALBUQUERQUE

	User Input Cost Factors						
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Total District Enrollment
User Input Cost Factor Values	50.4%	16.3%	16.0%	36.6%	22.5%	27.1%	87227

	Cost Factors							
	Student Needs				Grade Composition		Scale	
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Enrollment-Linear	Enrollment-Quadratic
Coefficients	0.375	0.094	1.723	0.190	0.291	0.608	-0.575	0.029
Transformed Demographic Values	1.504	1.163	1.160	1.366	1.225	1.271	87226.5	1.61E+56
Individual Formula Adjustments	1.165	1.014	1.291	1.061	0.998	0.975	0.955	
Combined Student Needs Adjustment	1.620							
Combined Grade Composition Adjustment					0.973			
Combined Scale Adjustment							0.955	
Overall Adjustment (Combined Student Needs/Grade Composition/Scale)	1.505							
Base Per-Pupil Cost	\$5,106							
Initial Sufficient Per-Pupil Cost	\$7,683							
ISQ Formula Adjustment	1.000							
Final Projected Sufficient Per-Pupil Cost	\$7,683							
Final Projected Sufficient Total Cost	\$670,162,438							
Actual Program Cost	\$612,909,090							
Emergency Supplemental	\$0							
Total Marginal Sufficiency Cost (Equals Final Projected Sufficient Total Cost - Actual Program Cost - Emergency Supplemental)	\$57,253,348							
Hold-Harmless Projected Sufficient Total Cost	\$670,162,438							
Percent Difference Between Actual Program Cost/Emergency Supplemental and Hold-Harmless Projected Sufficient Total Cost	9.3%							

DISTRICT CALCULATOR 2007-08

1 - Choose District (Use Pull-Down Menu Below)

LOS ALAMOS

	User Input Cost Factors						
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Total District Enrollment
User Input Cost Factor Values	0.0%	2.7%	16.0%	7.8%	24.1%	33.5%	3578

	Cost Factors							
	Student Needs				Grade Composition		Scale	
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Enrollment-Linear	Enrollment-Quadratic
Coefficients	0.375	0.094	1.723	0.190	0.291	0.608	-0.575	0.029
Transformed Demographic Values	1.000	1.027	1.160	1.078	1.241	1.335	3578	1.20.E+29
Individual Formula Adjustments	1.000	1.003	1.291	1.014	1.002	1.004	0.999	
Combined Student Needs Adjustment	1.313							
Combined Grade Composition Adjustment					1.006			
Combined Scale Adjustment							0.999	
Overall Adjustment (Combined Student Needs/Grade Composition/Scale)	1.320							
Base Per-Pupil Cost	\$5,106							
Initial Sufficient Per-Pupil Cost	\$6,738							
ISQ Formula Adjustment	1.016							
Final Projected Sufficient Per-Pupil Cost	\$6,846							
Final Projected Sufficient Total Cost	\$24,493,701							
Actual Program Cost	\$26,359,322							
Emergency Supplemental	\$0							
Total Marginal Sufficiency Cost (Equals Final Projected Sufficient Total Cost - Actual Program Cost - Emergency Supplemental)	(\$1,865,621)							
Hold-Harmless Projected Sufficient Total Cost	\$26,359,322							
Percent Difference Between Actual Program Cost/Emergency Supplemental and Hold-Harmless Projected Sufficient Total Cost	0.0%							

DISTRICT CALCULATOR 2007-08
1 - Choose District (Use Pull-Down Menu Below)

POJOAQUE

User Input Cost Factors

	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Total District Enrollment
User Input Cost Factor Values	55.2%	35.5%	16.0%	8.9%	25.0%	33.8%	1989

Cost Factors

	Student Needs				Grade Composition		Scale	
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Enrollment-Linear	Enrollment-Quadratic
Coefficients	0.375	0.094	1.723	0.190	0.291	0.608	-0.575	0.029
Transformed Demographic Values	1.552	1.355	1.160	1.089	1.250	1.338	1988.5	1.13E+25
Individual Formula Adjustments	1.179	1.029	1.291	1.016	1.004	1.006	1.073	
Combined Student Needs Adjustment	1.593							
Combined Grade Composition Adjustment					1.010			
Combined Scale Adjustment							1.073	
Overall Adjustment (Combined Student Needs/ Grade Composition/Scale)					1.725			
Base Per-Pupil Cost					\$5,106			
Initial Sufficient Per-Pupil Cost					\$8,809			
ISQ Formula Adjustment					1.000			
Final Projected Sufficient Per-Pupil Cost					\$8,809			
Final Projected Sufficient Total Cost					\$17,517,384			
Actual Program Cost					\$14,011,547			
Emergency Supplemental					\$0			
Total Marginal Sufficiency Cost (Equals Final Projected Sufficient Total Cost - Actual Program Cost - Emergency Supplemental)					\$3,505,837			
Hold-Harmless Projected Sufficient Total Cost					\$17,517,384			
Percent Difference Between Actual Program Cost/Emergency Supplemental and Hold-Harmless Projected Sufficient Total Cost					25.0%			

DISTRICT CALCULATOR 2007-08
1 - Choose District (Use Pull-Down Menu Below)
RATON
User Input Cost Factors

	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Total District Enrollment
User Input Cost Factor Values	55.0%	19.2%	16.0%	17.2%	23.8%	26.7%	1438

Cost Factors

	Student Needs				Grade Composition		Scale	
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Enrollment-Linear	Enrollment-Quadratic
Coefficients	0.375	0.094	1.723	0.190	0.291	0.608	-0.575	0.029
Transformed Demographic Values	1.550	1.192	1.160	1.172	1.238	1.267	1437.5	9.08.E+22
Individual Formula Adjustments	1.179	1.017	1.291	1.031	1.001	0.973	1.126	
Combined Student Needs Adjustment	1.595							
Combined Grade Composition Adjustment					0.974			
Combined Scale Adjustment							1.126	
Overall Adjustment (Combined Student Needs/ Grade Composition/Scale)					1.750			
Base Per-Pupil Cost					\$5,106			
Initial Sufficient Per-Pupil Cost					\$8,934			
ISQ Formula Adjustment					1.000			
Final Projected Sufficient Per-Pupil Cost					\$8,934			
Final Projected Sufficient Total Cost					\$12,842,309			
Actual Program Cost					\$10,829,403			
Emergency Supplemental					\$0			
Total Marginal Sufficiency Cost (Equals Final Projected Sufficient Total Cost - Actual Program Cost - Emergency Supplemental)					\$2,012,906			
Hold-Harmless Projected Sufficient Total Cost					\$12,842,309			
Percent Difference Between Actual Program Cost/Emergency Supplemental and Hold-Harmless Projected Sufficient Total Cost					18.6%			

DISTRICT CALCULATOR 2007-08

1 - Choose District (Use Pull-Down Menu Below)

RUIDOSO

User Input Cost Factors

	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Total District Enrollment
User Input Cost Factor Values	57.4%	11.1%	16.0%	22.0%	25.0%	28.8%	2282

Cost Factors

	Student Needs				Grade Composition		Scale	
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Enrollment-Linear	Enrollment-Quadratic
Coefficients	0.375	0.094	1.723	0.190	0.291	0.608	-0.575	0.029
Transformed Demographic Values	1.574	1.111	1.160	1.220	1.250	1.288	2282	9.32.E+25
Individual Formula Adjustments	1.186	1.010	1.291	1.038	1.004	0.983	1.053	
Combined Student Needs Adjustment	1.606							
Combined Grade Composition Adjustment					0.986			
Combined Scale Adjustment							1.053	
Overall Adjustment (Combined Student Needs/Grade Composition/Scale)	1.668							
Base Per-Pupil Cost	\$5,106							
Initial Sufficient Per-Pupil Cost	\$8,517							
ISQ Formula Adjustment	1.046							
Final Projected Sufficient Per-Pupil Cost	\$8,911							
Final Projected Sufficient Total Cost	\$20,335,020							
Actual Program Cost	\$17,671,966							
Emergency Supplemental	\$0							
Total Marginal Sufficiency Cost (Equals Final Projected Sufficient Total Cost - Actual Program Cost - Emergency Supplemental)	\$2,663,054							
Hold-Harmless Projected Sufficient Total Cost	\$20,335,020							
Percent Difference Between Actual Program Cost/Emergency Supplemental and Hold-Harmless Projected Sufficient Total Cost	15.1%							

DISTRICT CALCULATOR 2007-08
1 - Choose District (Use Pull-Down Menu Below)

SANTA FE

User Input Cost Factors

	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Total District Enrollment
User Input Cost Factor Values	60.7%	34.3%	16.0%	21.8%	21.8%	23.6%	12158

Cost Factors

	Student Needs				Grade Composition		Scale	
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Enrollment-Linear	Enrollment-Quadratic
Coefficients	0.375	0.094	1.723	0.190	0.291	0.608	-0.575	0.029
Transformed Demographic Values	1.607	1.343	1.160	1.218	1.218	1.236	12158	2.64E+38
Individual Formula Adjustments	1.195	1.028	1.291	1.038	0.996	0.959	0.916	
Combined Student Needs Adjustment	1.647							
Combined Grade Composition Adjustment					0.955			
Combined Scale Adjustment							0.916	
Overall Adjustment (Combined Student Needs/Grade Composition/Scale)					1.441			
Base Per-Pupil Cost					\$5,106			
Initial Sufficient Per-Pupil Cost					\$7,356			
ISQ Formula Adjustment					1.000			
Final Projected Sufficient Per-Pupil Cost					\$7,356			
Final Projected Sufficient Total Cost					\$89,436,711			
Actual Program Cost					\$78,335,242			
Emergency Supplemental					\$0			
Total Marginal Sufficiency Cost (Equals Final Projected Sufficient Total Cost - Actual Program Cost - Emergency Supplemental)					\$11,101,469			
Hold-Harmless Projected Sufficient Total Cost					\$89,436,711			
Percent Difference Between Actual Program Cost/Emergency Supplemental and Hold-Harmless Projected Sufficient Total Cost					14.2%			

DISTRICT CALCULATOR 2007-08
1 - Choose District (Use Pull-Down Menu Below)
TUCUMCARI
User Input Cost Factors

	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Total District Enrollment
User Input Cost Factor Values	83.5%	4.7%	16.0%	23.2%	22.4%	28.1%	1071

Cost Factors

	Student Needs				Grade Composition		Scale	
	Percent Free/Reduced Lunch	Percent English Learners	Percent Special Education	Percent Mobility	Enrollment Share in Grades 6-8	Enrollment Share in Grades 9-12	Enrollment-Linear	Enrollment-Quadratic
Coefficients	0.375	0.094	1.723	0.190	0.291	0.608	-0.575	0.029
Transformed Demographic Values	1.835	1.047	1.160	1.232	1.224	1.281	1070.5	1.36E+21
Individual Formula Adjustments	1.256	1.004	1.291	1.040	0.997	0.980	1.183	
Combined Student Needs Adjustment	1.694							
Combined Grade Composition Adjustment					0.977			
Combined Scale Adjustment							1.183	
Overall Adjustment (Combined Student Needs/Grade Composition/Scale)					1.958			
Base Per-Pupil Cost					\$5,106			
Initial Sufficient Per-Pupil Cost					\$9,999			
ISQ Formula Adjustment					1.000			
Final Projected Sufficient Per-Pupil Cost					\$9,999			
Final Projected Sufficient Total Cost					\$10,703,861			
Actual Program Cost					\$8,144,763			
Emergency Supplemental					\$0			
Total Marginal Sufficiency Cost (Equals Final Projected Sufficient Total Cost - Actual Program Cost - Emergency Supplemental)					\$2,559,098			
Hold-Harmless Projected Sufficient Total Cost					\$10,703,861			
Percent Difference Between Actual Program Cost/Emergency Supplemental and Hold-Harmless Projected Sufficient Total Cost					31.4%			



**ALBUQUERQUE
PUBLIC SCHOOLS**

November 19, 2008

To: New Mexico Legislative Education Study Committee
Veronica Garcia, Secretary Public Education Department
APS Board of Education

RECEIVED
VIA E-MAIL

NOV 17 2008

From: Winston Brooks, APS Superintendent

Re: Proposed Funding Formula Legislation

I would like to thank the Legislative Education Study Committee and the New Mexico Legislature for taking the time to gather on the proposed funding formula. As you may be aware, I officially started as superintendent on July 1, 2008. I appreciate the committee giving me time to get on board and spend time in the district and community before officially responding to these questions.

I would like to give a brief summary of Albuquerque Public Schools (APS) before responding to your questions. APS currently has more than 89,000 students and covers more than 1,178 square miles. As you are aware, we are the largest school district in New Mexico, serving more than one third of the state's students. We rank 32 out of the largest school districts in the United States with 137 educational facilities which includes 87 elementary schools, 26 middle schools, 14 high schools and 10 alternative schools. Fifty five percent of our students are Hispanic, 33 percent are Caucasian, 5 percent are Native American, 4 percent are African American and 3 percent are Asian.

The Board of Education and I have approved eight goals for meeting the challenges of public education in Albuquerque. The first and primary goal is to develop a three-year academic plan for the district that outlines ways to improve student achievement, narrow the achievement gap, increase graduation rates, and improve attendance and truancy rates. The other seven goals have been attached to this document for your review. These goals were developed by the board, my leadership team and I, taking into consideration the issues those community members raised during the superintendent search process. In addition, we held 16 community meetings with parents, teachers, staff members, students, government and elected officials, and other interested community members to review the goals and to take further input on issues in Albuquerque Public Schools.

As we reviewed the questions regarding the funding formula, we have kept these goals and the community input in mind, so that they are aligned. We have identified five different areas where we would target the additional funding if the proposed funding formula were passed:

1. Reduce the instructional load on teachers.
2. Provide additional professional development days.
3. Provide additional support for education programs and schools.

4. Provide for compensation equity.
5. Provide additional support for the maintenance and operations of our schools.

Programs and Services:

1. **How will the implementation of the proposed funding formula affect your district's program cost?**

Using data from the 2007-2008 school year, the total program cost for Albuquerque Public Schools would be \$670,162,438, if the proposed funding formula were in effect. This is \$57,253,348 more than the actual program cost, which was budgeted.

2. **How will the implementation of the proposed funding formula impact the educational programs and student services provided by your district?**

The proposed funding formula will allow Albuquerque Public Schools to focus its efforts toward enhancing instruction in the classroom. Research shows that the greatest impact on student achievement can be attributed to changes made directly in the classroom instructional program.

Research dating back to the 1966 release of the Equality of Educational Opportunities shows that student performance is only weakly connected or related to school quality. The report, known as the Coleman report concludes that supplemental educational services background was a far more influential factor. However, among the factors that schools and policy makers can control, teacher quality was found to account for a larger portion of the difference in student test scores – with one exception – student body composition. So improvement efforts that will make a difference must be focused on improving the quality of teaching.

Research on the Tennessee “value added” model of accountability has shown that the effectiveness of teachers has the greatest single influence on student performance.

A separate study by economists estimates that differences in teacher quality account for 7 to 8 percent of the differences in student achievement. While this may seem small it is a much larger share than any other school's characteristic. Goldhaber reports a similar amount of correlation in a later study.

Focusing the allocations on reducing Pupil Teacher Ratio (PTR), increasing instructional support staff and improving the professional practice of teachers through instructionally-focused professional development will be directing resources specifically to research-proven areas of efficacy.

a) Educational Programs:

Lowering the instructional demand for each teacher and providing every teacher with high quality professional development that is focused specifically on instructional practice will help set the first phase of instructional improvement. APS will also work to provide schools with a highly-trained intervention specialist, who will allow students with the greatest need to benefit from personalized instruction. The interventionist will work with the classroom teacher to provide high-quality individualized activities.

Albuquerque Public Schools, with the additional funding, will add more music and art teachers in elementary schools so that every student will have experiences that enhance and improve student learning. In addition we would work to provide a technology coordinator and librarian in every school. We would also work to extend educational opportunities during the summer and after school for elementary age students.

b) Student Services:

In addition to improving the instructional demand, it is increasingly important for public schools to ensure that all students are healthy, both physically and emotionally, so that they are ready to learn. With the additional funding APS would provide a nurse in every school and expand health and wellness programs in our schools that would benefit academic achievement.

Research shows that students excel academically when they are involved in activities and athletics. APS would work at expanding our program offerings including implementing a full middle-school athletic program.

3. **Will your district use the additional funding resulting from the implementation of the proposed funding formula to reduce class size? If so, what grades, and how many classrooms would be affected?**

Beginning in the elementary level, Albuquerque Public Schools would lower the pupil-to-teacher ratio beginning in the elementary levels and would then look at lowering class sizes in the freshman small learning communities in the district's high schools. This is especially important in math and science courses.

4. **What other changes might your district consider as a result of additional funding?**

Albuquerque Public Schools will look into the possibility of making compensation equitable across the district. This might be done by increasing salaries for licensed staff members who work at a school that is at the district poverty level or higher.

A more recently published analysis of studies regarding the impact of teacher quality was conducted by Katie Haycock. She found that three measures of teacher quality are correlated with student-performance outcomes. Teachers with high verbal and math skills, good content knowledge and sound teaching skills are more likely to generate higher performance among students. However, studies across the nation (Texas, Boston and elsewhere) show that these are not the teachers teaching high-poverty, English-learners and

minority students in urban schools. The compensation equity package proposed as part of the APS package will address the third prong of research-based interventions to improve overall performance.

The district will also allocate additional funding to support the maintenance and operations of the schools across the district. As the square footage of schools has increased by the additions of classrooms across the east side of Albuquerque and the construction of new schools on the west side of Albuquerque, the number of maintenance and operations employees has remained flat.

5. How will your district ensure that it provides all of the following educational programs and services as required in the funding formula bill, as amended, during the session?

- **bilingual and multicultural education, including culturally relevant learning environments, educational opportunities, and culturally relevant instructional materials;**
- **health and wellness, including physical education, athletics, nutrition, and health education;**
- **career-technical education;**
- **visual and performing arts and music;**
- **gifted education, advanced placement, and honors programs;**
- **special education; and**
- **distance education.**

Albuquerque Public Schools has established a standard quality assurance process to assess the quality of instruction and to ensure compliance in all areas of instruction continues. The district is doing the quality assurance assessment through a standardized walk-through practice. Associate superintendents and other authorized personnel are physically visiting each school on a regular basis to visit classrooms, meet with staff members and administrators and to systematically ensure that the educational programs are being successfully implemented at each school. This thorough process is a time consuming and labor intensive practice that is helping to increase consistency across the district.

6. To the best of your ability at this time, please fill in the table below to identify the additional state-funded FTE that your district would be able to provide as a result of the implementation of the proposed funding formula:

Personnel	Elementary	Middle	High	Other	Current FTE	Proposed FTE
Teachers	3190	1338	1441	479	6418	6668 (Add 250 Additional Teachers)

Personnel	Elementary	Middle	High	Other	Current FTE	Proposed FTE
Principals	127	58	64		249	254 (Add 5 Additional Principals)
Counselors	93	51	84	5	233	
Nurses	63.865	23	27	9.4	123.265	139.265 (Add 16 nurses at the Elementary Level)
Physical Education Teachers	76	Included above in Teacher Column	Included above in Teacher Column		76	76
Art and Music Teachers	91	86	89.5	7	273.5 (Included in Total Number of Teachers Above)	363.5 (Add 90 Additional Art and Music Teachers in the Elementary Level)
Social Workers	46	35	40	8	129	129
Librarians	60	25	13	2	100	120 (Add 20 Additional Librarians in the Elementary Level)
Advanced Placement Teachers			130		130	130
Gifted Education	59	45	27	88	219	219
Intervention Specialists					(Included in Total Teacher Count Above)	100
Bilingual Education	54	10	8	0	72	72
Educational Assistants	1275	286	341	101	2003	2003

Personnel	Elementary	Middle	High	Other	Current FTE	Proposed FTE
Special Education Teachers (excluding gifted)	445	308	329	88	1170	1170
Ancillary and Support Staff	226	66	42	166	500	500
Maintenance and Operations Staff (including custodians)	262	125	158	334	878	1058 (Add 180 Additional M&O FTEs)
Data Entry Clerks	93	4	54	38	190	190
Other Central Office Staff					638	677 (Add 20 Additional M&O FTEs and 19 Tech. Corrd.s)
Other School-based Staff						

Accountability:

The legislation introduced during the 2008 session to change the public school funding formula utilizes the Educational Plan for student Success (EPSS) as the means of ensuring accountability with regard to districts providing a sufficient educational program for all students that includes not only the basic required academic programs, such as reading, writing, and math, but also programs such as bilingual-multicultural education, physical education, arts and music, and gifted programs. In short, PED is required to disapprove any budget for a district or charter school that cannot show in its EPSS that is offering all required programs.

7. Do you believe that the EPSS is the appropriate mechanism to tie together budget approval and program delivery? If not what means would you suggest be used as an alternative to ensure accountability.

Albuquerque Public Schools does support the Educational Plan for Student Success (EPSS) as the means of ensuring accountability. We would hope that the Public Education Department allows school districts including APS, to use the balanced scorecard, which is a pilot for the EPSS accountability transition.

Staff Salaries:

The proposed funding formula would replace the current Training and Experience (T&E) Index with the Index of Staff Qualifications (ISQ). Although both indexes are designed to

distribute additional funding to districts and charter schools based on the composition of their instructional staff, they are not identical:

- **The T&E calculation is based on years of service and academic degrees for all instructional staff but does not reflect the three-tiered licensure system for teachers.**
- **The ISQ calculation recognizes not only experience and academic degrees but also licensure levels. It was calibrated on the average teacher salaries for each of the three levels and distributes additional dollars based on the proportion of teachers in each of those levels. In addition, there is a second calculation for those instructional staff, such as counselors, who are not included in the three-tiered system. Because the base per-student cost upon which the proposed formula is based already reflects the average salary by personnel category in the average district, the ISQ is applied only to salary costs in a district or charter school that are beyond the average.**

8. If you have calculated your district's ISQ using the most recent matrices in the bill (see attachment), how would this factor impact funding for your district?

In the raw index of staff qualifications the APS bottom line ISQ is 1.000. This figure equals 1.15 in the current T&E system; the APS T&E factor from October 2007 was 1.085. It appears that by using the proposed funding formula, the ISQ would benefit Albuquerque Public Schools.

See Attachment 2 for full Calculation.

Special Education:

9. Currently, how many students in your district have been identified as in need of special education, and what percentage of your district's enrollment does this number represent? (Do not include gifted students.)

Number: 11,753

Percentage: 13%

10. How will the proposed funding formula's utilization of a fixed special education identification rate of 16 percent impact special education funding for your district?

This strategy of funding special education will require a paradigm shift – from intervention and remediation to prevention and primary intervention. Lowering pupil-to-teacher ratio, enhancing teachers' professional skills to meet the diverse instructional needs of every child in their classes will take time. There will be a lag between the beginning of the initiatives and the obvious impact – fewer students needing special education services. Districts will have to re-allocate funds to ensure that services are maintained and initiatives are funded until that gap is closed.

Gifted Education:

11. **Currently, how many students in your district have been identified as gifted, and what percentage of your district's enrollment does this number represent?**

Number: 4,404

Percentage: 5%

12. **Even though the bill as amended during the session does not require districts to consider students that have been identified as gifted to be in need of special education, it does require that these students be served. How will your district specifically address the needs of students identified as gifted?**

Albuquerque Public Schools would work to ensure that the same protection and services that are currently given to gifted education students continues. The APS Special Education Department would maintain oversight of the gifted services program. The department currently has the staff to support classroom services and administrative processes. Also, the department has excellent communication with parents and community organizations associated with gifted education. The district will continue to require all teachers of the gifted to have a minimum of 12 graduate credits in gifted education. The estimated cost to run gifted services in Albuquerque Public Schools is \$13,661,845 per year.

In anticipation of regulation changes with regards to "gifted" students, we would propose to put together a design team to help the district address a variety of issues. That team would include two administrators, two high school teachers of the gifted, two middle school teachers of the gifted, two elementary school teachers of the gifted, and two parents who may or may not be members of AAGTS. The team would develop each of the following:

- IEP Redesign
- Monitoring/Procedural Safeguards/Review Process
- Caseload Size
- Class Size
- Diagnosis/Identification Redesign
- Re-evaluation – Performance Based
- Disseminating Plan

The design team would also look at changing the process of how students are identified as gifted. Several items that might be considered for redesign are doing screening at the end of the second grade or for all transfer students, the evaluation, and changing to a Team for Eligibility and Assessment Review (TEAR).

The district would also like to look at changing to an Individualized Gifted Plan (IGP) that would be a lot simpler and would include:

- Demographics
 - LEP Designation
- Student Profile
 - Test Scores
 - Interests

- Student Educational Needs with Documentation for Each Item
- PLP and Goals (Strands and/or Standards)
 - Progress Toward Goals
- Summary of Services
 - Modifications
- Signature Page

Revenue Sources for Implementation:

- 13. What revenue sources for the additional dollars needed to reach sufficiency would your district support?**

Albuquerque Public Schools would work to advocate to our community the need for an increase of one cent to the gross receipts tax to generate the funds. APS would also support to raise money for the funding formula by making changes to the Land Grant Permanent Fund and to the gross receipts tax.

Potential Problems:

- 14. What problems, if any, does your district anticipate will arise from the implementation of the proposed funding formula?**

The district will have to take special care to re-assure parents of students requiring special services of any kind (English Language Development, Special Education and Gifted Services) that the same programs, services and due processes will be available to them and their students. The district will have to provide an enhanced quality-control process to ensure that the level of services to these students grows in their efficacy as those for all children do.

The district will need to ensure that there are strategies in place before implementation to document the value added by the changes and enhancements afforded by the funding formula. This might mean that some funds will have to be allocated to address the accountability efforts that the public will expect around the priorities and initiatives that the district has chosen to implement with the funding changes.

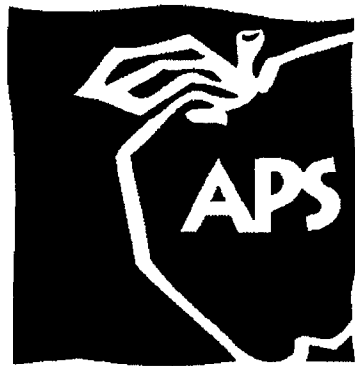
- 15. What problems, if any, does your district anticipate will arise if the proposed funding formula is not implemented?**

Expectations are growing for school districts to implement highly focused and individualized instruction for all students. Further mandates are increasing disproportionately to the funding available to districts and those federal grants available in the past to help 'jump start' initiatives in districts are dwindling. All of this is on top of the historically under-funding of education in all states and in particular to New Mexico. Public education in New Mexico faces special challenges as a result of children coming to school in significant need of social, health and pre-educational services. Districts face shrinking resources, growing needs and increasing demand for

accountability and outcomes. Resources are not the only answer but they are a basic answer on which other resolutions build.

16. **Please feel free to identify any other issues that have not been addressed in these questions that you feel the committee should be aware of.**

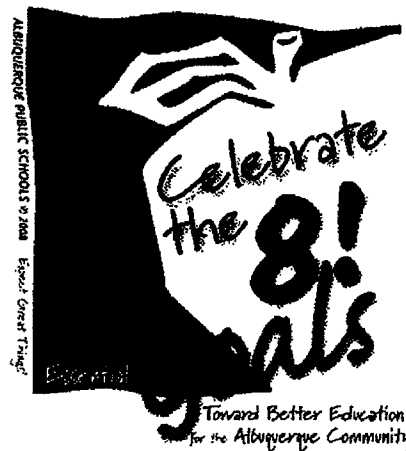
The goal must be to channel as many resources to the classroom as possible. However, in doing this, there is almost always an increasing need for support services. This is rarely seen as essential. A sweeping initiative such as the funding formula will necessarily carry with it new accountability demands and that will fall on the school staff members if the instructional support infrastructure is not maintained.



**ALBUQUERQUE
PUBLIC SCHOOLS**

Top Educational Goals for Albuquerque Public Schools

**Presented by APS
Superintendent Winston Brooks
and APS Board of Education
members: President Mary Lee
Martin, Vice President Berna
Facio, Secretary Dolores Griego,
Jon Barela, Martin Esquivel,
Robert Lucero and Paula Maes.**



Goal 1: Develop and implement a 3-year academic plan (2008/2009 – 2010/2011).

Goal 2: Develop and implement a plan to change the perception and build confidence of Albuquerque Public Schools.

Goal 3: Develop and implement a comprehensive internal and external communication plan with an evaluation component that involves the community.

Goal 4: Provide facilitated training by nationally known experts for the Board of Education to focus on the role and responsibilities of effective school boards and superintendents. The training will assist and focus the Board of Education and district staff on raising student achievement and creating a more “student focused” organization.

Goal 5: Review, evaluate, enhance and publicize plans to upgrade and maintain facilities to support and enhance student achievement.

Goal 6: Review, modify and maintain a transparent, sound and effective financial stewardship with clearly defined, consistent and well documented processes throughout the district.

Goal 7: Study, modify and recommend a plan to transition APS from a site-based management to district-based management for equitable distribution of resources.

Goal 8: Review, evaluate, modify and enhance the school and district crisis plans, to include safety and prevention plans.

ATTACHMENT 2

ISQ-A – Teachers, Including Librarians

Level I																
Year's Within Level	0 – 1			2 – 3			4 – 5					Total	Total			
Academic Classification	FTE	Factor	Adjusted FTE	FTE	Factor	Adjusted FTE	FTE	Factor	Adjusted FTE			FTE	Adjusted FTE			
Bachelor's	521.30	0.84	333.63	285.55	0.67	191.32	106.90	0.71	75.90			913.75	600.85			
Master's	69.15	0.68	47.02	94.00	0.72	67.68	60.30	0.76	45.83			223.45	160.53			
Master's + 45/Post-Masters	7.20	0.71	5.11	8.20	0.75	6.15	6.05	0.79	4.78	21.45	16.04					
Total	597.65		385.77	387.75		265.15	173.25		126.51	1,158.65	777.42					
Level II																
Year's Within Level	4 – 6			7 – 8			9 – 15			Over 15					Total	Total
Academic Classification	FTE	Factor	Adjusted FTE	FTE	Factor	Adjusted FTE	FTE	Factor	Adjusted FTE	FTE	Factor	Adjusted FTE			FTE	Adjusted FTE
Bachelor's	450.78	0.76	342.59	285.50	0.82	234.11	704.40	0.93	655.09	681.63	1.04	708.90			2,122.31	1,940.69
Master's	179.15	0.81	145.11	90.10	0.88	79.29	130.85	1.00	130.85	100.50	1.11	111.56			500.80	466.80
Master's + 45/Post-Masters	19.45	0.85	16.53	11.53	0.92	10.61	22.50	1.05	23.63	18.09	1.16	20.98	71.57	71.75		
Total	649.38		504.24	387.13		324.01	857.75		809.57	800.22		841.43	2,694.48	2,479.24		
Level III																
Year's Within Level	7 – 8			9 – 15			Over 15					Total	Total			
Academic Classification	FTE	Factor	Adjusted FTE	FTE	Factor	Adjusted FTE	FTE	Factor	Adjusted FTE			FTE	Adjusted FTE			
Bachelor's	8.00	0.90	7.20	25.50	1.02	26.01	22.00	1.17	25.74			55.50	58.95			
Master's	83.97	0.96	80.61	446.97	1.09	487.20	780.62	1.25	975.78			1,311.56	1,543.58			
Master's + 45/Post-Masters	11.40	1.01	11.51	75.70	1.14	86.30	152.38	1.31	199.62	239.48	297.43					
Total	103.37		99.33	548.17		599.51	955.00		1,201.13	1,606.54	1,899.96					
											Matrix Totals	5,459.67	5,156.63			

ISQ-B – Other Instructional Staff

Years of Experience	0 – 2			3 – 5			6 – 8			9 – 15			Over 15	
Academic Classification	FTE	Factor	Adjusted FTE	FTE	Factor	Adjusted FTE	FTE	Factor	Adjusted FTE	FTE	Factor	Adjusted FTE	FTE	Factor
Bachelor's or Less	17.50	0.65	11.38	18.25	0.78	14.24	30.15	0.87	26.23	59.55	0.91	54.19	47.60	0.91
Bachelor's + 15	0.50	0.70	0.35	0.00	0.83	0.00	4.00	0.87	3.48	16.30	0.96	15.65	16.95	1.00
Master's/Bachelor's + 45	20.95	0.74	15.50	37.36	0.87	32.50	79.41	0.91	72.26	184.05	1.00	184.05	228.31	1.04
Master's + 15	1.50	0.78	1.17	2.80	0.91	2.55	8.15	1.00	8.15	34.05	1.13	38.48	84.98	1.17
Master's + 45/Post-Masters	5.30	0.87	4.61	0.60	1.00	0.60	10.70	1.13	12.09	35.65	1.22	43.49	82.30	1.30
Total	45.75		33.01	59.01		49.89	132.41		122.21	329.60		335.86	460.14	
													504.13	
													1,026.91	
													Matrix Totals	1,045.09
														1,045.09

GRAND TOTAL (ISQ-A + ISQ-B) 6,486.58 6,201.72
RAW INDEX OF STAFF QUALIFICATIONS 1.00

State of New Mexico
LEGISLATIVE EDUCATION STUDY COMMITTEE

REPRESENTATIVES

Rick Miera, Chair
Roberto "Bobby" J. Gonzales
Jimmie C. Hall
Mimi Stewart
Thomas E. Swisstack
W. C. "Dub" Williams

ADVISORY

Andrew J. Barreras
Ray Begaye
Nathan P. Cote
Nora Espinoza
Mary Helen Garcia
Thomas A. Garcia
Dianne Miller Hamilton
John A. Heaton
Sheryl M. Williams Stapleton
Jim R. Trujillo
Teresa A. Zanetti

State Capitol North, 325 Don Gaspar, Suite 200
Santa Fe, New Mexico 87501
PH: (505) 986-4591 FAX: (505) 986-4338
<http://legis.state.nm.us/lcs/lesc/lescdefault.asp>



RECEIVED
VIA E-MAIL

NOV 17 2008

SENATORS

Cynthia Nava, Vice Chair
Vernon D. Asbill
Mary Jane M. Garcia
Gay G. Kernan

ADVISORY

Mark Boitano
Carlos R. Cisneros
Dianna J. Duran
Lynda M. Lovejoy
Howie C. Morales
John Pinto
William E. Sharer

D. Pauline Rindone, Ph.D., Director
Frances R. Maestas, Deputy Director

June 19, 2008

MEMORANDUM

TO: Public School District Superintendents

FR: D. Pauline Rindone

RE: PROPOSED FUNDING FORMULA DISCUSSIONS - RATON

In April, you received a memorandum from the Legislative Education Study Committee (LESC) inviting you to work with the committee to examine the potential impact of the new public school funding formula that was proposed during the 2008 legislative session. Attachment 1 is a table indicating the meeting at which your district is scheduled to discuss the proposed funding formula with the committee - a meeting agenda with the exact time and date for your presentation will be sent to you prior to that meeting.

At the LESC meeting for which you have been scheduled, LESC staff will present your district's calculator and you will discuss with the committee how the proposed funding formula would affect your school district's operations and its ability to accommodate the needs of your students, as well as other issues related to the proposed funding formula. Hard copies of the calculators for the districts in your group will be available for reference and discussion.

In order to facilitate the discussions, LESC staff, with the assistance of the Public Education Department (PED), have prepared the following questions, which will also be provided to the committee. The questions are a guide to assist you in preparing for your discussions with the committee. We understand that you may or may not be able to have complete answers to some of these questions prior to the meeting; however, it is important that we receive written responses to these questions from each of you. If you are not able to respond immediately, please send a copy of your responses to me as soon as you are able to gather the information, and please include the name of your district with the responses.

To: Chairman Miera and Members of the Legislative Education Study Committee:

Thank you for this opportunity to share how the proposed new sufficiency funding formula would directly benefit the children of Raton.

The Raton Public Schools serves approximately 1370 students pre-K through 12th in Raton, New Mexico.

If the legislature fully funds the proposed funding formula we anticipate that our operational funding would increase approximately \$1,800,000.00.

With the additional funds we would be able to begin to rebuild our schools in a manner that is consistent with research and best practice in the 21st century. In short we could give the children the education they deserve.

I would like to add that investment into the education of our children is the best move we could make as a state to insure the growth of our economy in the long term.

Thank you for your continued support of the children of New Mexico.

Sincerely,

David Willden, Superintendent
Raton Public Schools

Programs and Services:

- 1. How will the implementation of the proposed funding formula affect your district's program cost? The implementation of the proposed funding formula will add an additional \$ 1,800,000.00 to our budget.
- 2. How will the implementation of the proposed funding formula impact the educational programs and student services provided by your district?
 - a) Educational Programs: The implementation of the proposed sufficiency funding formula would allow the Raton Public Schools to increase the

effectiveness of our current bilingual program, implement a “Ready for Kindergarten” program, and finally employee full time instructional coaches in math and reading who also serve as intervention specialist at each school.

- b) Student Services: The implementation of the proposed sufficiency funding formula would allow the Raton Public Schools to increase the amount of services delivered to our children. Some examples would be RTI driven extended services, enrichment for our gifted and talented students, summer jumpstart offerings, and possible universal free lunch. Additionally we would be able to add a career counselor at the High School level to help guide students in the direction they want to go with their education. We would also want to add a certified nurse at each level. Currently we have 1 nurse serving 5 schools.
-
- 3. Will your district use the additional funding resulting from the implementation of the proposed funding formula to reduce class size? If so, what grades, and how many classrooms would be affected?
 - The Raton Public Schools has been experiencing a decline in enrollment for several years. This decline coupled with increased cost relative to the three tier licensing program has driven our decisions relative to staffing and class size. We are currently pushing the limit in class size in virtually all of our schools. At the same time we have been experiencing these issues we have also been observing an increase in the amount of services needed by our students. We have learned to be thrifty and thoughtful in our staffing and class size decisions and will continue to be. This said we will decrease class size in all of our elementary schools and probably in our middle school.

4. What other changes might your district consider as a result of additional funding?

We will use some of the funding to increase the use of technology as a tool to deliver instruction. This will include technology and professional development geared to embedding technology in the delivery of our curriculum. We will also incorporate 21st century skills into our regular curriculum.

5. How will your district ensure that it provides all of the following educational programs and services as required in the funding formula bill, as amended, during the session?

- bilingual and multicultural education, including culturally relevant learning environments, educational opportunities, and culturally relevant instructional materials;
- health and wellness, including physical education, athletics, nutrition, and health education;
- career-technical education;
- visual and performing arts and music;
- gifted education, advanced placement, and honors programs;
- special education; and
- distance education.

We will look at each one of these areas and make sure that we are meeting the needs of our students in all areas. The increase of \$1,800,000.00 will give us the tools we need to transform the way we provide services to our students.

6. To the best of your ability at this time, please fill in the table below to identify the additional state-funded FTE that your district would be able to provide as a result of the implementation of the proposed funding formula:

Personnel	Elementary	Middle	High	Current FTE	Proposed FTE
Teachers	32	19	21.28	72.28	78.28
Principals	2.5	1	2	5.5	
Counselors	1.03	1.03	1.08	3.14	4.14
Nurses	.25	.25	.50	1.00	3.0
Physical Education Teachers	1.	2.0	1.0	4.0	
Art and Music Teachers	1.75	1.14	1.25	4.14	5.14

Personnel	Elementary	Middle	High	Current FTE	Proposed FTE
Social Workers					
Librarians			1	1	2.0
Advanced Placement Teachers					
Gifted Education					
Intervention Specialists					5
Bilingual Education	1	1		2	4
Educational Assistants	17	3	2	22	
Special Education Teachers (excluding gifted)	5	3	4	12	15
Ancillary and Support Staff					1
Maintenance and Operations Staff (including custodians)	5	4	4	13	
Data Entry Clerks					
Other Central Office Staff				6	
Other School-based Staff	3	2	3	8	

Accountability:

The legislation introduced during the 2008 session to change the public school funding formula utilizes the Educational Plan for Student Success (EPSS) as the means of ensuring accountability with regard to districts providing a sufficient educational program for all students that includes not only the basic required academic programs, such as reading, writing, and math, but also programs such as bilingual-multicultural education, physical education, arts and music, and gifted programs. In short, PED is required to disapprove any budget for a district or charter school that cannot show in its EPSS that it is offering all required programs.

7. Do you believe that the EPSS is the appropriate mechanism to tie together budget approval and program delivery? If not, what means would you suggest be used as an alternative to ensure accountability?

While the EPSS has become a central document to the strategic planning of our instructional delivery we do not believe that it would serve as a good tool for accountability relative to program delivery. We believe that it would become too cumbersome a document to maintain its usefulness as an instructional planning document. We would rather see a separate report incorporated in the Stars program to account for program delivery. We would also welcome site visit accountability from the PED. We would comply with whatever accountability tool that the PED requires.

Staff Salaries:

The proposed funding formula would replace the current Training and Experience (T&E) Index with the Index of Staff Qualifications (ISQ). Although both indexes are designed to distribute additional funding to districts and charter schools based on the composition of their instructional staff, they are not identical:

- The T&E calculation is based on years of service and academic degrees for all instructional staff but does not reflect the three-tiered licensure system for teachers.
 - The ISQ calculation recognizes not only experience and academic degrees but also licensure levels. It was calibrated on the average teacher salaries for each of the three levels and distributes additional dollars based on the proportion of teachers in each of those levels. In addition, there is a second calculation for those instructional staff, such as counselors, who are not included in the three-tiered system. Because the base per-student cost upon which the proposed formula is based already reflects the average salary by personnel category in the average district, the ISQ is applied only to salary costs in a district or charter school that are beyond the average.
7. If you have calculated your district's ISQ using the most recent matrices in the bill (see Attachment 2), how would this factor impact funding for your district?

After spending many hours calculating the ISQ it seems to come out approximately equal to the T & E. We as a district are currently considering a Masters Degree Requirement for all incoming teachers within 7 years of employment. Given that scenario we would do very well under the ISQ. The ISQ would help us fund the increased requirement for our teachers.

Special Education:

9. Currently, how many students in your district have been identified as in need of special education, and what percentage of your district's enrollment does this number represent? **(Do not include gifted students.)**

Number: 249

Percentage: 18%

10. How will the proposed funding formula's use of a fixed special education identification rate of 16 percent impact special education funding for your district?

It will impact us adversely, however, with the additional monies made available through the sufficiency formula we will be better able to serve our children using an RTI model. An RTI model implemented with fidelity should decrease the number of students needing special education services.

Gifted Education:

11. Currently, how many students in your district have been identified as gifted, and what percentage of your district's enrollment does this number represent?

Number: ____17____

Percentage: ____1.2____%

12. Even though the bill as amended during the session does not require districts to consider students that have been identified as gifted to be in need of special education, it does require that these students be served. How will your district specifically address the needs of students identified as gifted?

We will increase the number of AP course offerings at the secondary level. We will work to increase the opportunities for internships, outreach, and other enrichment opportunities. For gifted children in the primary grades we will work with our gifted advisory group to make decisions that will increase the rigor and interest level of our programs.

Revenue Sources for Implementation:

13. What revenue sources for the additional dollars needed to reach sufficiency would your district support?

We would support the options previously identified by the committee as well as taxes on natural resources and the vices. Understanding that there are no other more palatable options available, we would support the 1% increase in gross receipts taxes to sufficiently fund education as is constitutionally required.

Potential Problems:

14. What problems, if any, does your district anticipate will arise from the implementation of the proposed funding formula?

We will have to work with Higher Education to insure a steady pipeline of highly qualified candidates to fill some of these positions. We already have trouble filling some of the specialty area jobs.

15. What problems, if any, does your district anticipate will arise if the proposed funding formula is not implemented?

We will continue to be placed in a position of decreasing enrollment and increasing needs and expectations. We will continue to ask all of our professionals to work without the tools they need to serve our children. We will continue to have to deal with unfunded mandates and categorical monies which precipitates the further erosion of local control.

16. Please feel free to identify any other issues that have not been addressed in these questions that you feel the committee should be aware of.

We are not aware of any other issues that might arise as a result of the implementation of the sufficiency funding formula.

xc: Legislative Education Study Committee

Ruidoso Municipal Schools

Ruidoso High School
Stephanie West, Principal
(575)258-4910
Gerard Lee, Assistant Principal
Todd Garelick, Activities Director

Ruidoso Middle School
George Heaton, Principal
(575)257-7324

White Mountain Intermediate School
Stan Lyons, Principal
(575)258-4150

White Mountain Elementary School
Ron Elkin, Principal
(575)258-4220

Sierra Vista Primary School
Dave Bishop, Principal
(575)258-4943

Nob Hill Early Childhood Center
Michelle Perry, Principal
(575)257-9041

200 Horton Circle
Ruidoso, NM 88345
Phone: 575-257-4051
FAX: 575-257-4150

Bea Etta Harris, Ed. D.
Superintendent

Patty White, M.Ed.
Associate Superintendent



RECEIVED
VIA E-MAIL

NOV 17 2008

MEMORANDUM

TO: LESC

FROM: Ruidoso Municipal School District

DATE: 17 November 2008

SUBJECT: Proposed Funding Formula Discussions

Programs and Services:

1. How will the implementation of the proposed funding formula affect your district's program cost?

Ruidoso Schools will see a 15% increase in the program cost, an increase of \$2.66 million. Ruidoso is a school district with 4 elementary schools, a middle school, and a high school. In addition, a DD preschool program and an alternative school (grades 5-12) are offered. Approximately 60% of our students qualify for free or reduced lunch. The current enrollment of 2,290 reflects approximately 41% Hispanic, 38% Caucasian, and 18% Native American. Currently, Ruidoso High School is designated as SI-2 delay, the middle school and two elementary schools are in Corrective Action, and two elementary schools are in SI-2. We welcome the new funding formula. It would give us additional resources to serve students and to prepare our teachers to address their needs. In addition to the challenges of poverty that our students face, teachers also have to be well prepared to differentiate instruction to meet the needs of our diverse student population.

2. How will the implementation of the proposed funding formula impact the educational programs and student services provided by your district?

a) Educational Programs:

The district currently has three (3) Reading coaches/interventionists through a Reading First grant and one elementary math coach funded through Title I. We understand the Reading First funding will likely end this year. Due to the great success of our reading programs with this model, we would continue this model using the new funding formula funds for elementary reading coaches/interventionists and an additional math coach. These coaches support teachers as they improve their skills in delivering quality reading and math programs and increase the fidelity of our curriculum delivery.

Elementary art, music, and P.E. have been supported in Ruidoso in the past years through the Elementary Fine Arts funding. We will continue and expand services for our elementary students to lower the PTR in these classes.

At the high school, the district will expand certification and dual credit programs to increase opportunities for students, to reduce our dropout rate, and to increase our graduation rate.

b) Student Services:

The district elementary schools currently share counselors for two campuses. The district would expand counseling and nursing services to include one school counselor and one school nurse per elementary campus and an additional school social worker. The district would also add tutors to work with students before, during, and after school to improve reading and math learning.

The District is developing a comprehensive plan to improve dropout prevention strategies. The middle school began a counseling model in 07-08 with a counselor for each grade level (grades 7 & 8). The district saw great improvement in student attendance, grades, and CRT scores. The District would like to expand this model for grades 6-12. We currently have one high school counselor for 687 students. Statistics show significant numbers of special education students and students who have been retained are at risk of dropping out. We believe the counseling model will greatly reduce the number of dropouts, raise student achievement scores, and increase the number of graduates.

3. Will your district use the additional funding resulting from the implementation of the proposed funding formula to reduce class size? If so, what grades, and how many classrooms would be affected?

Currently all of our K-3 classrooms are at or very near the maximum number allowed by state class size requirements. Adding one teacher to each grade level K-3 would reduce the class size by 2-3 students per class in approximately 36 classrooms. Since we have declined in enrollment and reduced the number of teachers over the last several years, we have the physical capacity for additional teachers and classes.

Additionally, to greater serve our secondary students struggling or excelling in mathematics or language arts, we would add one teacher in each discipline at both the middle and the high school, impacting class sizes for the 400-600 students at each school.

4. What other changes might your district consider as a result of additional funding?

Additional professional development on the use of data to drive and improve student instruction would require the use of frequent coaching visits, occasional substitutes to release teachers or additional paid time to collaborate and to discuss student work and continuous improvement. We believe professional development is critical for our students' success. Professional development is greatly supported by Federal program grants (Title I, II, IDEA, etc.) so, the additional funding would allow the district to increase the number of contract days for professional development without taking away from instructional time.

Technology support at the district level and at the building level in Ruidoso totals three (3) staff. With the increased demands on technology, we would add staff to this area to better support teachers in integrating technology in content areas.

5. How will your district ensure that it provides all of the following educational programs and services as required in the funding formula bill, as amended, during the session?

- Bilingual and multicultural education, including culturally relevant learning environments, educational opportunities, and culturally relevant instructional materials;

The district currently has a dual language program Kindergarten through 4th grade and bilingual classes at each grade level grades 5 – 12. The district will expand the dual language classrooms through 5th grade and provide English Language Development at each grade level. Additional materials and staff will enhance our programming in this area. Our director of bilingual services will work with building principals to monitor this program.

- Health and wellness, including physical education, athletics, nutrition, and health education;

Ruidoso's four elementary schools have not qualified for the additional elementary P.E. program funding. The district has supported P.E. at the elementary level and would like to provide more staff to lower PTR in P.E. classes K - 6. Ruidoso has an active School Health Advisory Committee (SHAC) that is monitoring and suggesting ways to improve our health and wellness programming district wide. The SHAC developed guidelines for healthy snacks and these guidelines were shared district-wide with staff, students, and parents. The district currently promotes health and wellness

among our staff by offering partial tuition assistance for health and P.E. classes offered at ENMU in Ruidoso.

- Career-Technical education;

Ruidoso Schools have been committed to career-technical education for many years. Several areas of certification are offered at Ruidoso High School. The district continues to invest funds for equipment and materials for career-technical education for grades 7 - 12. The district has a long standing relationship with ENMU-Ruidoso and just recently completed the Dual Credit agreement to expand opportunities for students in many academic and career classes. In addition, Carl Perkins funding continues to support programming at the secondary level. The district will continue to pursue additional avenues to support students' post-secondary goals.

- Visual and Performing Arts;

The district continues to support visual and performing arts grades K – 12. As indicated above, additional staffing at the elementary levels will significantly improve the quality of program in this area. Principals will be much more able to support and monitor specialists in this area. This will support the secondary program and might eventually require additional staff at a later date.

- Gifted education, advanced placement, and honors programs;

The district currently employs three teachers for the gifted program. Additional staffing for gifted education at the secondary level would improve services to gifted students. In addition, increasing the offerings for dual credit and AP classes will increase opportunities for students to excel in academic programs. Additional materials for the elementary students would increase enrichment opportunities for the gifted programs and all students at the four elementary schools.

- Special Education programs; and

Ruidoso Schools provides comprehensive Special Education services to students Pre K – 12. The additional funding would allow the district to lower caseloads of the special education staff to ensure increased outcomes for our special education students. Our director of special education and principals take an active role in the IEP teams to support the students and parents.

- Distance education.

Ruidoso is already active in distance education and is participating in the state initiative IDEAL NM in addition to other endeavors. Our technology team will monitor the quality of program delivery and continue to improve the opportunities for students. School staff and community will monitor overall programming to identify additional needs.

6. To the best of your ability at this time, please fill in the table below to identify the additional state-funded FTE that your district would be able to provide as a result of the implementation of the proposed funding formula:

Personnel	Elementary	Middle	High	Current FTE	Proposed FTE
Teachers	5	1	1	144.6	151.6
Principals				6	6
Counselors	1	1	1	5.33	8.33
Nurses				6.18	6.18
Physical Education Teachers	1			5	6
Art and Music Teachers	1			8	9
Social Workers		.5	.5	2	3
Librarians				3.24	3.24
Advanced Placement Teachers					
Gifted Education			1	3.03	4.03
Intervention Specialists	3	1	1	3	8
Bilingual Education	1			14	15
Educational Assistants				40	40
Special Education Teachers (excluding gifted)				22	22
Ancillary and Support Staff				9	9
Maintenance and Operations Staff (including custodians)				25	25
Data Entry Clerks				12	12
Other Central Office Staff				8	8
Other School-based Staff	1		1	3	5

Accountability:

The legislation introduced during the 2008 session to change the public school funding formula utilizes the Educational Plan for Student Success (EPSS) as the means of ensuring accountability with regard to districts providing a sufficient educational program for all students that includes not only the basic required academic programs, such as reading, writing, and math, but also programs such as bilingual-multicultural education, physical education, arts and music, and gifted programs. In short, PED is required to disapprove any budget for a district or charter school that cannot show in its EPSS that it is offering all required programs.

7. Do you believe that the EPSS is the appropriate mechanism to tie together budget approval and program delivery? If not, what means would you suggest be used as an alternative to ensure accountability?

The EPSS is the appropriate mechanism to tie budget to programs. The EPSS goals are the focus of the district and all professional development, curriculum, assessments, and programs revolve around the student outcomes as described in the school and district EPSS.

Staff Salaries:

The proposed funding formula would replace the current Training and Experience (T&E) Index with the Index of Staff Qualifications (ISQ). Although both indexes are designed to distribute additional funding to districts and charter schools based on the composition of their instructional staff, they are not identical:

- The T&E calculation is based on years of service and academic degrees for all instructional staff but does not reflect the three-tiered licensure system for teachers.
 - The ISQ calculation recognizes not only experience and academic degrees but also licensure levels. It was calibrated on the average teacher salaries for each of the three levels and distributes additional dollars based on the proportion of teachers in each of those levels. In addition, there is a second calculation for those instructional staff, such as counselors, who are not included in the three-tiered system. Because the base per-student cost upon which the proposed formula is based already reflects the average salary by personnel category in the average district, the ISQ is applied only to salary costs in a district or charter school that are beyond the average.
8. If you have calculated your district's ISQ using the most recent matrices in the bill (see attachment), how would this factor impact funding for your district?

This factor would have a negative effect on our funding as we would be a 1.0 index based on preliminary calculations, which is lower than our current T & E (1.188).

Special Education:

9. Currently, how many students in your district have been identified as in need of special education, and what percentage of your district's enrollment does this number represent? **(Do not include gifted students.)**

Number: 302 Percentage: 13.2%

10. How will the proposed funding formula's use of a fixed special education identification rate of 16 percent impact special education funding for your district?

We would stay relatively flat because our current student numbers are lower than the state average. The slightly additional funding will allow us to continue to provide intensive early childhood programs to increase outcomes for students with special needs. If the additional funding currently generated by related service FTE is reduced or eliminated, that would have a negative impact on our ability to provide these services to our students.

Gifted Education:

11. Currently, how many students in your district have been identified as gifted, and what percentage of your district's enrollment does this number represent?

Number: 75 Percentage: 3.3%

12. Even though the bill as amended during the session does not require districts to consider students that have been identified as gifted to be in need of special education, it does require that these students be served. How will your district specifically address the needs of students identified as gifted?

We will increase staff for our gifted students so that their individual plans are more frequently monitored and their programs better tailored to their needs. Further, we intend to expand our work in distance education, dual credit college and AP courses allowing students greater opportunity to achieve personal excellence.

It is not always specific staff for gifted students that are needed to better serve students. Students are gifted all day long, not just when in contact with the gifted teacher. Smaller class size and quality professional development make it easier for teachers to differentiate for all students, including gifted students.

Revenue Sources for Implementation:

13. What revenue sources for the additional dollars needed to reach sufficiency would your district support?

We are supportive of many of the options that have been presented and we encourage the legislature to fully fund education through the general fund.

Potential Problems:

14. What problems, if any, does your district anticipate will arise from the implementation of the proposed funding formula?

Finding qualified staff will be a challenge. We may have to train our own staff to be literacy or math coaches, for example.

15. What problems, if any, does your district anticipate will arise if the proposed funding formula is not implemented?

Closing the achievement gap and truly providing students with a rigorous, relevant learning experience becomes an ever-increasing challenge. Class sizes will remain at or near the limits for elementary classrooms if additional funds are not provided to hire additional staff. Providing students with the intervention and remedial services needed is costly and requires additional personnel. In addition, increasing technology offerings (ITV classes, on-line, etc.) poses increased demands on technology personnel and equipment. Many federal funds, which can

be used for supplemental services are decreasing every year. In addition, the district has had to use some of our cash balance each year to balance our budget and comply with the legislative mandates.

16. Please feel free to identify any other issues that have not been addressed in these questions that you feel the committee should be aware of.

We appreciate the legislature researching the funding formula and seeking input from the districts. In order for us to provide quality public education for our students we must have resources to hire necessary staff and provide them the tools they need to be successful in their classrooms and to improve student achievement.

xc: Legislative Education Study Committee

State of New Mexico
LEGISLATIVE EDUCATION STUDY COMMITTEE

REPRESENTATIVES

Rick Miera, Chair
Roberto "Bobby" J. Gonzales
Jimmie C. Hall
Mimi Stewart
Thomas E. Swisstack
W. C. "Dub" Williams

State Capitol North, 325 Don Gaspar, Suite 200
Santa Fe, New Mexico 87501
PH: (505) 986-4591 FAX: (505) 986-4338
<http://legis.state.nm.us/lcs/lesc/lescdefault.asp>



ADVISORY

Ray Begaye
Nathan P. Cote
Nora Espinoza
Mary Helen Garcia
Thomas A. Garcia
Dianne Miller Hamilton
John A. Heaton
Rhonda S. King
Sheryl M. Williams Stapleton
Jim R. Trujillo
Teresa A. Zanetti

SENATORS

Cynthia Nava, Vice Chair
Vernon D. Asbill
Mary Jane M. Garcia
Gay G. Kernan

ADVISORY

Mark Boitano
Carlos R. Cisneros
Dianna J. Duran
Lynda M. Lovejoy
Mary Kay Papen
John Pinto
William E. Sharer

RECEIVED
VIA E-MAIL

D. Pauline Rindone, Ph.D., Director
Frances R. Maestas, Deputy Director

NOV 17 2008

May 7, 2008

MEMORANDUM

TO: Public School District Superintendents

FR: D. Pauline Rindone

RE: PROPOSED FUNDING FORMULA DISCUSSIONS - TUCUMCARI

You recently received a memorandum from the Legislative Education Study Committee (LESC) inviting you to work with the committee to examine the potential impact of the new public school funding formula that was proposed during the 2008 legislative session. You should have already received a copy of the LESC agenda for the May meeting that indicates your assigned group.

At the May LESC meeting, LESC staff will present your district's calculator and you will discuss with the committee how the proposed funding formula would affect your school district's operation to accommodate the needs of your students, as well as other issues related to the proposed funding formula. Hard copies of the calculators for the districts in your group will be available for reference and discussion.

In order to facilitate the discussions, LESC staff, with the assistance of the Public Education Department, have prepared the following questions, which will also be provided to the committee. The questions are a guide to assist you in preparing for your discussions with the committee. We understand that you may or may not be able to have complete answers to some of these questions prior to the meeting; however, it is important that we receive written responses to these questions from each of you. If you are not able to respond immediately, please send a copy of your responses to me as soon as you are able to gather the information.

The Tucumcari Public School District has nearly 1100 students enrolled in 2008-2009. Approximately 600 students in grades preK-5 attend Tucumcari Elementary School, just over 200 students in grades 6-8 attend Tucumcari Middle School, and roughly 300 students in grades 9-12 attend Tucumcari High School.

In order to enhance educational opportunities and improve student achievement, the Tucumcari Public School District is supporting the enactment and full funding of the new Public School Funding Formula. The district stands to gain over \$2.7 million in addition SEG revenue if all schools and districts were funded to a sufficient level.

Programs and Services:

1. How will the implementation of the proposed funding formula affect your district's program cost?

The program cost at Tucumcari Public Schools would increase by more than \$2.7 million.

2. How will the implementation of the proposed funding formula impact the educational programs and student services provided by your district?

a) Educational Programs

Tucumcari Public Schools will extend our school year by adding the hourly equivalent of 4 additional instructional days, plus 1 additional professional development day. With the revenue generated by the new funding formula, our District will be able to sufficiently address the needs of our students, most of whom live in poverty. Of particular interest to us is providing early intervention services in reading and math to overcome many of our students' deficiencies in these core academic areas. Hiring additional personnel such as Math and Reading Specialists, as well as purchasing materials and specialized software, will allow us to remedy these deficiencies and ensure later success. The District would also endeavor to reduce class sizes for the middle grades (4-8), where achievement trends have revealed that transitioning middle grades students in our district—and likewise across the nation—have struggled the most.

b) Student Services

The District would hire an additional counselor to attend to the scheduling and mandatory testing of our middle school students. We would also hire an additional school nurse to reduce the nearly 1100-student load that our one (1) district nurse must currently shoulder alone. We would also hire an additional social worker in order to provide both elementary and secondary students with sufficient support to ensure their success both inside and outside of the classroom, especially by engaging with parents and families to see that essential needs are met prior to each student's arrival at school. The increased funds would also allow the district to continue to provide high-quality extra-curricular activities for all students and to expand offerings in an effort to encourage participation by students who do not participate at present.

3. Will your district use the additional funding resulting from the implementation of the proposed funding formula to reduce class size? If so, what grades, and how many classrooms would be affected?

Yes; students in grades 4-8 would benefit from more personal attention through our reduction of pupil-teacher ratios in their classes. Specifically, the district would add an additional classroom at both grade 4 and grade 5, and we would add a teacher in each of the core academic areas at the middle school to lower class sizes in such subjects as language arts, mathematics, science, and social studies.

4. What other changes might your district consider as a result of additional funding?

Administrators at Tucumcari Public Schools (and elsewhere) are under tremendous pressure to be—all at the same time—curriculum experts, grant writers, teacher evaluators, student mentors, and public relations specialists. There is simply not ample time during the school day to complete these and other tasks with excellence. Only one of our principals currently has a full time Assistant Principal. The district would increase its administrative staff by 0.5 FTE to offer the other two principals the same privilege, thereby enabling them to successfully meet their many obligations as school leaders.

5. How will your district ensure that it provides all of the following educational programs and services as required in the funding formula bill, as amended, during the session?

- bilingual and multicultural education, including culturally relevant learning environments, educational opportunities, and culturally relevant instructional materials;
- health and wellness, including physical education, athletics, nutrition, and health education;
- career-technical education;
- visual and performing arts and music;
- gifted education, advanced placement, and honors programs;
- special education; and
- distance education.

Currently, district programs such as bilingual, fine arts, and special education are funded only partially by programmatic dollars (BMEB, Perkins, and IDEA-B, respectively). The district's general operating budget has been forced to cover the remainder of the increasing costs of such programs.

For example, the total state bilingual funding generated by the district's ELL population in FY 08 was approximately \$20,000. This fell far short of the more than \$50,000 in costs to run the program. Similar shortfalls frequently occur in other district programs.

However, because the new formula deems such educational programs as necessary for a sufficient education in New Mexico, the increase in the SEG distribution would most certainly cover the current programmatic shortfall in ensuring that these programs are successful for student learning.

6. To the best of your ability at this time, please fill in the table below to identify the additional state-funded FTE that your district would be able to provide as a result of the implementation of the proposed funding formula:

Personnel	Elementary	Middle	High	Current FTE	Proposed FTE
Teachers	28.0	12.5	17.5	58.0	66.0
Principals	1.5	1.5	2.0	5.0	6.0
Counselors	0	0	1.0	1.0	2.0
Nurses	1.0	0	0	1.0	2.0
Physical Education Teachers	1.0	1.0	1.0	3.0	3.0
Art and Music Teachers	2.0	0	2.0	4.0	6.0
Social Workers	1.0	0	0	1.0	2.0
Librarians	0	0	1.0	1.0	2.0
Advanced Placement Teachers	0	0	0.5	0.5	1.0
Gifted Education	0	0	0	0	1.0
Intervention Specialists	1.5	1.0	0	2.5	6.0
Bilingual Education	1.0	0	0	1.0	2.0
Educational Assistants	11.5	3.5	4.0	19.0	20
Special Education Teachers (excluding gifted)	2.0	3.0	4.0	9.0	10.0
Ancillary and Support Staff	5.0	0	0	5.0	5.0
Maintenance and Operations Staff (including custodians)	4.0	2.0	3.0	9.0	9.0
Data Entry Clerks	0.5	0	0	0.5	0.5
Other Central Office Staff	3.0	0	0	3.0	3.0
Other School-based Staff	3.0	1.5	3.0	7.5	7.5

Staff Salaries:

The proposed funding formula would replace the current Training and Experience (T&E) Index with the Index of Staff Qualifications (ISQ). Although both indexes are designed to distribute additional funding to districts and charter schools based on the composition of their instructional staff, they are not identical:

- The T&E calculation is based on years of service and academic degrees for all instructional staff but does not reflect the three-tiered licensure system for teachers.
- The ISQ calculation recognizes not only experience and academic degrees but also licensure levels. It was calibrated on the average teacher salaries for each of the three levels and distributes additional dollars based on the proportion of teachers in each of those levels. In addition, there is a second calculation for those instructional staff, such as counselors, who are not included in the three-tiered system. Because the base per-student cost upon which the proposed formula is based already reflects the average salary by personnel category in the average district, the ISQ is applied only to salary costs in a district or charter school that are beyond the average.

7. If you have calculated your district's ISQ using the most recent matrices in the bill (see attachment), how would this factor impact funding for your district?

Our District's most recent T&E calculation of 1.105 gives our budget a slight boost under the current formula. Because this T&E value corresponds to 0.95 on the ISQ matrix (below the recalibrated center), our district would be held harmless at 1.0 on the new matrix. This funding differential would allow Tucumcari Public Schools to improve instructional quality in two ways: we would have budget flexibility to recruit highly qualified instructors for hard to fill positions AND we would have the means to reward our existing staff for advancing in education or in licensure level, both of which bring clear benefits for our students and classrooms.

Special Education:

8. Currently, how many students in your district have been identified as in need of special education, and what percentage of your district's enrollment does this number represent? (Do not include gifted students.)

Number: 164 Percentage: 15.3 %

9. How will the proposed funding formula's utilization of a fixed special education identification rate of 16 percent impact special education funding for your district?

While our district's overall identification rate is below 16%, Tucumcari ranks high on the percentage of special education students who are receiving C-level or D-level services. Such students cost a great deal more to educate, as they often need specialized medical equipment, individualized learning materials, and additional staff support (whether ancillary service providers or one-to-one aides or both). Census-based funding for special education would allow Tucumcari to work on decreasing the overall rates to approach the national average while simultaneously preserving the necessary funding to meet the health and learning needs of our students with many exceptionalities.

Gifted Education:

10. Currently, how many students in your district have been identified as gifted, and what percentage of your district's enrollment does this number represent?

Number: 27 Percentage: 2.5 %

11. Even though the bill as amended during the session does not require districts to consider students that have been identified as gifted to be in need of special education, it does require that these students be served. How will your district specifically address the needs of students identified as gifted?

The district would increase the Advanced Placement course options for high-achieving students (both gifted and non-gifted) at the high school. In addition, the district would seek to hire a special education teacher to coordinate a district-wide

gifted education program. Currently, the district's gifted program is limited, providing one hour per day of enrichment for gifted students only in grades 6-8. Gifted students in grades K-5 receive less than 2 hours per week, and gifted students in grades 9-12 are merely encouraged to take honors, AP, or concurrent enrollment classes through our area community college.

Revenue Sources for Implementation:

12. What revenue sources for the additional dollars needed to reach sufficiency would your district support?

The district requests that lawmakers appropriate at least 50 % of the general budget to K-12 public education, a funding level which last occurred in 1990-1991.

A significant portion of Tucumcari's local economy depends upon agriculture. Given the strain on agricultural producers in the current economic climate, we cannot support an increase on property taxes or millage limits. However, much of our local (and state) economy also depends upon tourists. Raising the gross receipts tax will allow our schools to benefit from increased revenue generated both by residents and tourists alike.

Using the interest from the State's permanent fund may also be a viable option, so long as the money is safeguarded for use only by public education and provided that the corpus of the fund is not made vulnerable to continued volatility in the market.

Potential Problems:

13. What problems, if any, does your district anticipate will arise from the implementation of the proposed funding formula?

While increased funding will enable districts to budget for the personnel to meet student needs, such personnel may be difficult to recruit and/or retain. This will be especially true in positions which are already difficult to fill, such as bilingual teachers, nurses, and ancillary service providers.

In addition, the statewide move to reduce student-teacher ratios may increase the demand for additional classrooms, straining the state's budget further as districts request capital outlay for school or classroom construction projects.

14. What problems, if any, does your district anticipate will arise if the proposed funding formula is not implemented?

English language learners (ELLs) in our district may suffer the immediate results of budget shortfalls, as bilingual programs which far exceed bilingual funding may necessarily be replaced by English-only transition programs. The former have been proven far more effective than the latter, but they require funding to be successful.

The inability of our district to hire additional middle grades teachers may result in middle school scheduling which is less beneficial to students in transition. Our

middle school, which was named a “School on the Rise” for making AYP for the second straight year, may sadly slip back into the school improvement cycle if the funds to pay for effective student interventions are not made available.

15. Please feel free to identify any other issues that have not been addressed in these questions that you feel the committee should be aware of.

Schools and districts will need to secure the funds to provide a sufficient education to their students, whether through the enactment of the Funding Formula Task Force’s proposal (which reflects a proactive approach on behalf of the legislature) or by the continuation of “supplemental emergency appropriations” (which reflect, on the contrary, the refusal of the legislature to remedy insufficiency for the long term).

Tucumcari Public Schools recommends the adoption and full (or phased-in) funding of the revised public school funding formula.

Do you believe that the EPSS is the appropriate mechanism to tie together budget approval and program delivery? If not, what means would you suggest be used as an alternative to ensure accountability?

The Educational Plan for Student Success (EPSS) is already used by budget analysts at the Public Education Department (PED) to ensure that district expenditures are tied closely to educational goals. Our district is willing and able to meet even greater levels of specificity in this process if it means that our students will benefit from additional state funds!

xc: Legislative Education Study Committee